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PROCEDURAL AND LEGAL MATTERS

CONSIDERATION OF THE ESTABLISHMENT OF A MULTILATERAL CONSULTATIVE PROCESS FOR THE RESOLUTION OF QUESTIONS REGARDING IMPLEMENTATION (ARTICLE 13)

Note by the interim secretariat

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I. INTRODUCTION

A. Convention provisions

1. Article 13 of the United Nations Framework Convention on Climate Change states that:

> "The Conference of the Parties shall, at its first session, consider the establishment of a multilateral consultative process, available to Parties on their request, for the resolution of questions regarding the implementation of the Convention."

B. Scope of the note

2. During the third, fourth and fifth sessions of the Intergovernmental Negotiating Committee, discussions took place in Working Group II with regard to the establishment of a procedure under the Convention whereby questions regarding implementation could be resolved amongst the Parties to the Convention. Owing to the heavy workload of the Committee and time constraints, completion of a procedure for inclusion in the Convention was not feasible. It was, therefore, decided that Article 13 would provide for the possibility of establishing such a process once the Convention entered into force.

3. Sections II - VII of the present note cover the following points:

- Section II briefly reports on the discussions that took place during the negotiations of the Committee at its third and fourth sessions;
- Section III attempts to describe the rationale behind a multilateral consultative process;
- Section IV examines the scope of application of such a process in relation to the provisions of the Convention;
- Section V looks at the relationship between a multilateral consultative process, the review of national communications within the Subsidiary Body for Implementation (SBI), and the dispute settlement regime established pursuant to Article 14 of the Convention;
- Section VI enumerates elements that could be considered in the design of a multilateral consultative process;
- Section VII concludes by presenting possible options to the Committee for recommendation to the Conference of the Parties at its first session (COP 1), to enable it to undertake the work relating to this issue.

4. The interim secretariat has reviewed several non-compliance, dispute resolution and implementation review procedures, for example, the 1987 Montreal Protocol on Substances that Deplete the Ozone Layer, the Second Sulphur Emissions Protocol to the United Nations Economic Commission for Europe (UN/ECE) Convention on Long-range Transboundary Air Pollution, the General Agreement on Tariffs and Trade (GATT) dispute resolution panels, and international labour and human rights conventions. The secretariat is at present preparing a review of these procedures which will be issued as an addendum to this note in due course.

5. This material is intended to serve as an initial background document for discussion by the Committee and for future discussions on this issue by the Conference of the Parties (COP).
The note does not attempt to design a multilateral consultative process.

C. Possible action by the Committee

6. The Committee may wish to consider commencing a discussion on this item at its tenth session. However, owing to the heavy work schedule of its eleventh session (see A/AC.237/57), it may be advisable, once an initial airing of views has been completed at the tenth session, to defer further consideration to the first session of the Conference of the Parties (COP 1) (see paras. 33-34, below).

II. BACKGROUND

7. At the third session of the Committee, Working Group II considered the drafting of a procedure whereby the resolution of questions regarding implementation under the Convention would be cooperative rather than adversarial. The views expressed at that session were that such a procedure should be based on consultation and cooperation, with the aim of assisting Parties that were, for whatever reason, failing to fulfil their commitments under the Convention. In this regard, a number of proposals were presented to the Working Group.

8. At the fourth session of the Committee, the Co-Chairs of Working Group II proposed an alternative procedure to the traditional bilateral dispute settlement regime. In presenting this proposal they informed the Committee that they had concluded that traditional approaches were insufficient in resolving questions of this kind that, owing to the global nature of the issue, may arise under the Convention. They indicated that, as all Parties would be affected by the action or inaction of all other Parties, reliance on bilateral dispute settlement procedures would not be sufficient.

9. The proposal contained, inter alia, the following elements: 1/

(a) The COP would be the point of entry for any questions and the body responsible for all decisions;

(b) Questions relating to the interpretation and implementation of the Convention could be brought by Parties or by one of the subsidiary bodies;

(c) The COP would consider questions and could establish ad hoc panels drawn from members;

(d) In reviewing questions, the first step would be to consult the Party that was the subject of the question. The ad hoc panels could also consult with the subsidiary bodies under the Convention;

(e) The panels would report the results of their consultations to the COP within one year. These reports would include, if necessary, a recommendation for resolution;

(f) The COP would consider the reports and take whatever action it deemed necessary;

(g) If the Party did not comply with a decision of the COP, the latter could take any action it deemed necessary to further the objective of the Convention;

(h) If consensus were not practical, decision-making by the COP would be by a two-thirds majority;

(i) Details regarding the establishment of ad hoc panels would be elaborated in an annex which could be drafted by Working Group II or the COP once the Convention entered into force.

10. There was a wide range of views expressed by the Committee on the above-mentioned proposal. The main points in the discussion touched upon the following questions: (a) whether a traditional dispute settlement procedure would be adequate; (b) whether the proposal was an appropriate alternative to traditional dispute settlement procedures or whether it should complement such procedures; (c) whether the COP should perform a judicial or a political role; (d) whether there was a need to undertake friendly negotiations regarding a Party's compliance; (e) whether the establishment of ad hoc panels would be costly and time-consuming, and (f) whether decisions by the COP under this procedure should be taken by consensus or by a two-thirds majority of the Parties.

III. RATIONALE FOR A MULTILATERAL CONSULTATIVE PROCESS

11. There are several possible rationales for having a multilateral consultative process. First, as the phenomenon of climate change is of a global character, it can be argued that the interests of all States are involved. Second, since the negative effects of non-compliance with the Convention are subtle and cumulative and may manifest themselves only after a long period of time, preventative measures and remedies could result in more effective solutions

than post hoc dispute settlement. Third, a multilateral consultative process would emphasize cooperation among Parties in pursuit of a common goal, rather than confrontation. Although such procedures usually lack real enforcement power, their strength is manifested through peer pressure and regular accountability by Parties in an intergovernmental context. Finally, they encourage Parties to an agreement to seek consensus on issues and to strive for interpretations and decisions that will reinforce the stability and effectiveness of the regime as a whole. In this way, treaty compliance can be promoted through discussion and negotiation, rather than by adjudication of questions of law. 2/

12. Such a multilateral consultative process would be the forum for handling questions that Parties may have about the implementation of provisions by other Parties and their own implementation of the Convention. The process would be initiated by the act of raising a question. At times it may be used frequently, if there are many questions, while at other times it may be less active.

13. Parties would, of course, remain free to resort to traditional methods of dispute settlement as a means of settling questions of interpretation or application of the Convention. However, traditional dispute settlement procedures are rarely invoked in environmental contexts. In an area where legal rules are still developing and evolving, Parties may prefer non-adversarial negotiations as a more predictable way of balancing conflicting interests in resolving problems. By interposing a multilateral consultative process between the Parties' performance of their commitments and traditional dispute settlement, the latter could acquire a largely symbolic role as a deterrent.

14. Furthermore, establishing a multilateral consultative process could lead to a more effective Convention. In response to particular questions and concerns, such a process could lead to decisions and opinions in particular cases as to whether a Party is "in compliance" with the Convention and, where this is ambiguous, what constitutes compliance. Performing this function could lead to a more effective Convention in the foliowing ways: 3/

(a) The process could help to build confidence in the Convention by demonstrating that implementation problems can be raised, made transparent and resolved satisfactorily;

(b) An authoritative interpretative process could set useful bounds on the diversity of legitimate interpretations;

(c) The process could offer a safety valve for considering and disposing of problem questions that might otherwise make it difficult to progress on other issues; and

(d) The process could help to point out areas where adjustment is needed and around which public opinion can be mobilized to push for policy change.

IV. SCOPE OF APPLICATION

15. A multilateral consultative process could consider any questions relating to the implementation of the Convention. The articles on commitments (Articles 4, 5, 6 and 12) would clearly fall within its purview, as would the functioning of the financial mechanism that is provided for in Article 11 of the Convention and any other article relating to implementation. This process would also apply to any amendments and annexes adopted pursuant to Articles 15 and 16.

16. If Parties were to decide to adopt protocols to the Convention, the scope of application of a multilateral consultative process established pursuant to Article 13 would need to be considered. Since protocols establish separate but related legal regimes, the Parties to the Convention and to the protocols may differ. Moreover, if more detailed commitments were elaborated in protocols, then the Parties to those protocols may consider creating additional or different review and assessment procedures, with powers that are commensurate with the additional commitments. 4/

17. Article 13 states that the process would be "available to Parties on their request, for the resolution of questions regarding the implementation of the Convention" (emphasis added). Parties would need to decide on the intended meaning of "available to Parties on their request". Further, Parties would need to decide whether "implementation" should include questions of interpretation as well. Questions of implementation and interpretation may be inextricably linked and may thus need to be considered in tandem. Article 14.1 makes it clear that its provisions are to be invoked "in the event of a dispute ... concerning the interpretation or application of the Convention". As the COP is the "supreme body" of the Convention, it would certainly be within its purview under Article 13 to respond to questions regarding interpretation of the Convention (see Article 7.2 and 7.2(m)).

V. RELATIONSHIP TO THE REVIEW PROCESS, THE SUBSIDIARY BODY FOR IMPLEMENTATION, AND THE DISPUTE SETTLEMENT REGIME UNDER ARTICLE 14

18. The provisions of the Convention relating to implementation may be seen as a continuum consisting of the communication of information and the review process at the beginning, a multilateral consultative process in the middle and the dispute settlement regime at the end. Taken together, these provisions and procedures will constitute a collective effort to promote learning and consultation, both broadly and in response to particular questions, concerns and, perhaps, even disputes.

A. Relationship to the review process

19. Regular review of information related to implementation communicated pursuant to Article 12 is the foundation upon which the rest of the continuum is built. Such reviews will

help promote a dynamic link between the actual experience and policies of the Parties and the evolution of the obligations under the Convention. The review process, whose details are still under design, might address some questions related to the national communication, such as methodologies and omissions, as they arise in particular communications. The interim secretariat has prepared a document for the tenth session of the Committee in this regard (see A/AC.237/63).

20. So far, the Committee, in preparing for COP 1, has favoured a review process that is facilitative, non-confrontational, open and transparent (see A/AC.237/63). Consequently, the review is not seen as a mechanism for verification or for determining whether a party is in compliance, but rather as a tool to ensure that the COP has the information necessary to carry out its mandate.

B. Relationship to the Subsidiary Body for Implementation

21. The Subsidiary Body for Implementation (SBI) will be the main mechanism for the review process. Consequently, there would inevitably be a close relationship between the SBI and a multilateral consultative process since both would be considering similar issues and drawing upon a similar base of information. If a question were in relation to the communication and review of information, the multilateral consultative process would only be invoked if the procedure under the review process could not resolve the question. Moreover, both the SBI and the multilateral consultative process would need similar technical support to some degree.

22. The functions of the SBI are still under review by the Committee, and consideration of its relationship to a multilateral consultative process will depend on the outcome of this review (see document A/AC.237/64). It should be noted, however, that the Committee, at its ninth session, included the function of "[advising] on issues such as resolution of questions, dispute settlement and compliance/enforcement mechanisms" as one of the possible tasks to be carried out by the SBI (A/AC.237/55, annex I, annex to decision 9/3).

23. It is thus conceivable that the COP could request the SBI to initiate a multilateral consultative process. The SBI could carry out the work itself or it could establish a subsidiary working group to do so and report back to it. The SBI could then report to the COP. This is one design option. Another would be for the COP to establish a subsidiary body for the multilateral consultative process, to be invoked whenever needed.

24. Whatever the option chosen, the SBI may well be in a position to identify questions that should be referred to a multilateral consultative process. Therefore, it would be important for the subsidiary bodies, and in particular the SBI, to be given some level of standing to raise questions and contribute to the proceedings of a multilateral consultative process.

C. Relationship to the dispute settlement regime pursuant to Article 14

25. The dispute settlement regime, at the other end of the continuum, exists to ensure that genuine disputes have a legitimate means of resolution. Although, ideally, disputes should be prevented, they may arise at any point in the continuum and Parties would be free to invoke Article 14 at any time during the review or multilateral consultative processes.

26. Article 14 establishes a traditional bilateral third-party dispute settlement procedure. The presence of a separate article in the Convention on dispute resolution suggests that the multilateral consultative process envisaged by Article 13 and the dispute settlement procedure under Article 14 are not mutually exclusive. Article 14 sets out the procedure that Parties would revert to when disputes need to be resolved by an institution existing outside the Convention but whose competence is recognized by the Convention, notably, by the International Court of Justice and arbitration and conciliation commissions. On the other hand, Article 13 would provide the procedure whereby Parties to the Convention could amicably resolve their differences, thus avoiding resort to Article 14. In practice, as stated earlier, given the facilitative nature of the review process and the availability of a possible multilateral consultative process, it is unlikely that many disputes will be settled by recourse to Article 14.

27. Unlike a non-compliance regime or a multilateral consultative process that aims to resolve problems within a system without reference to external adjudicators or institutions, dispute settlement relies heavily on outsiders to the system. Moreover, it is, in essence, confrontational. Its sharp edge, however, is blunted in most environmental conventions. For example, Article 14 of the Framework Convention on Climate Change provides for consensual or voluntary jurisdiction which is determined unilaterally, prior to the dispute. However, if Parties have made no such declaration and/or if a dispute has not been resolved after twelve months, the dispute "shall be submitted, at the request of any of the parties to the dispute, to conciliation" (see Article 14.5). A conciliation commission may be established to resolve the dispute but it may render only a recommendatory award which the Parties shall consider in good faith. (See also the Vienna Convention for the Protection of the Ozone Layer and the Convention on Biological Diversity.)

28. It is clear that, although rarely used in environmental treaties, dispute settlement procedures may serve a useful purpose as a last resort. In contrast, a multilateral consultative process would be intended for more frequent use. It would not be adversarial, as it would focus on assisting Parties in implementing their obligations under the Convention. Moreover, it would serve as a dispute prevention tool and would reflect a collective concern of the COP to ensure that all Parties fulfil their commitments under the Convention, rather than a bilateral concern as in the case of dispute settlement. The two procedures complement each other: respect for the requirements of a multilateral consultative regime would be strengthened by the knowledge that a dispute settlement procedure is always available to Parties and may be activated if necessary.

VI. POSSIBLE ELEMENTS OF A MULTILATERAL CONSULTATIVE PROCESS

29. It should be noted that the COP is not required to establish a multilateral consultative process. Article 13 of the Convention states that the "Conference of the Parties shall, at its first session, consider the establishment of a multilateral consultative process, available to Parties on their request" (emphasis added). Conceivably, COP 1 could, after consideration of this issue, decide that it is not yet opportune to establish such a process. Alternatively, after considering the establishment of a multilateral consultative process, the COP could decide that a different type of process is needed to deal with questions relating to implementation.

30. Assuming that the COP does decide to explore a multilateral consultative process, the type of procedure that could be developed would depend on whether the Parties decide to establish a procedure similar to that envisaged during the third and fourth sessions of the Committee (that is, panels), or one that uses a standing committee, like the non-compliance procedures adopted by the Montreal Protocol and the Second Sulphur Emissions Protocol. The COP would need to decide whether the process would entail a conceptual framework for a flexible process consisting of various consultative forums and/or measures to resolve questions in the implementation of the Convention, or whether it would be a process that establishes a standing institutional arrangement to resolve questions.

31. Issues that would need to be considered in designing such a process include the following: 5/

(a) What types of questions could be raised?

- about the Party's own compliance
- about another Party's compliance

(b) What entities other than Parties should be able to raise a question?

(c) What type of body will be required to resolve such questions?

- ad hoc/permanent
- relationship to the COP and/or SBI
- size and membership
- powers (fact-finding, etc.)

(d) In what ways could such questions be resolved?

- interpretations
- requests to financial mechanism for assistance
- recommendations

32. In the initial stages of developing a process, it may be best not to attempt to establish a procedure that is inflexible or that attempts to deal with all eventualities. From studies of a number of other international agreements, it appears that those which are most effective in achieving their objectives tend to incorporate processes that evolve over time, as knowledge of the issues increases and as Parties' perceptions of problems or objectives change. However, it appears to be equally important that a framework exists within which effective processes and mechanisms are able to develop. 6/

VII. OPTIONS FOR ACTION BY THE CONFERENCE OF THE PARTIES

33. The Committee may wish to recommend to COP 1 that it set up a procedure to explore further and, as needed, design a multilateral consultative process as envisaged by Article 13. This task could be assigned to:

(a) A group of technical and legal experts established by COP 1 and reporting to the COP;

(b) A group of technical and legal experts, established by and reporting to the SBI, which in turn would report to the COP.

34. The COP, at a subsequent session and in the light of the report on the subject, would decide whether to establish a multilateral consultative process.

Notes

1/ See "Revised single text on elements relating to mechanisms" (A/AC.237/Misc.13), pp. 30-31.

2/ Patricia W. Birnie and Alan E. Boyle, International Law and the Environment, (Clarendon Press, Oxford, 1992), pp. 137-139.

3/ See International Environmental Commitments (IEC) Project, "Design options for Article 13 of the Framework Convention on Climate Change", International Institute for Applied Systems Analysis (IIASA), Laxenburg, Austria, 1 May 1994.

4/ "Note on elaboration of Article 13 of the Climate Change Convention", Verification Technology Information Centre, May 1992, Carrera House, London, p. 3.

5/ See IEC/IIASA, supra, note 8, pp. 13-14.

6/ See, in general, IEC/IIASA, supra, note 8, pp. 3-17.

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I. INTRODUCTION

A. Convention provisions

1. These agenda items are derived from Articles 8 and 7.2(k) respectively of the Convention.

2. Article 8:

(a) Establishes that the Convention shall have a secretariat;

(b) Lists the functions of the secretariat;

(c) Provides that "the Conference of the Parties [(COP)] at its first session [(COP 1)], shall designate a permanent secretariat and make arrangements for its functioning" (emphasis and abbreviations added).

3. Article 7.2(k) provides that the COP shall "agree upon and adopt, by consensus, ... financial rules for itself and for any subsidiary bodies."

B. Committee mandate

4. The subject of arrangements for the permanent secretariat (item 6 (a) of the provisional agenda) was considered by the Committee for the first time at its ninth session, on the basis of a note by the interim secretariat (A/AC.237/53). This subject comprises two main elements: the institutional arrangements for the permanent secretariat and its physical location. While there is some interaction between the two points, notably through the issue of "co-location" of related secretariats, they can gain in clarity by being addressed separately. The one does not determine the other; this is exemplified by the present arrangements whereby a number of permanent and interim secretariats of conventions are based in Geneva while being linked institutionally and administratively to organizations based in New York and Nairobi.

5. On the first of these points, the Committee reviewed a number of possible institutional options outlined in the note by the interim secretariat and decided to examine all of them further at its tenth session. It requested the interim secretariat to provide additional information to support that examination, with particular reference to the option that envisages the negotiation of an arrangement to place the permanent secretariat, at least initially, within a host organization. The Committee asked the secretariat, in this context, to explore possible arrangements with the United Nations Secretariat, the United Nations Environment Programme (UNEP) and the United Nations Development Programme (UNDP), including with regard to relevant financial, administrative and staffing provisions. It also asked for summary information on relevant precedents with respect to other conventions and, to the extent possible, indications of the

relevant costs and benefits of the different options. (See the report of the Committee on its ninth session, A/AC.237/55, paras. 119-120.)

6. On the second point, physical location, the Committee considered the possibility of co-locating the Convention secretariat in the same premises as other related secretariats. It requested the interim secretariat to ascertain the content of the offer of accommodation for the permanent secretariat that had been made by the Secretary-General of the World Meteorological Organization (WMO) (A/AC.237/55, para. 120). Furthermore, the Committee took note with great satisfaction of the offers of Uruguay and Switzerland regarding the physical location of the permanent secretariat and decided to consider this matter in the light of its further review of possible institutional arrangements (A/AC.237/55, para. 121).

7. It is relevant to both points that the Committee endorsed the conclusion in the note by the interim secretariat that a transitional period would be required after COP 1 and that the permanent secretariat should thus start operations with effect from 1 January 1996, taking over from the interim secretariat at that point (A/AC.237/55, para. 118).

8. Sub-item 6 (b), relating to financial rules, is on the provisional agenda of the Committee for the first time. It was included by the Committee in the work plan that it adopted at its sixth session (A/AC.237/24, para. 44). This sub-item is understood by the interim secretariat to cover such matters as the scope of the budget for the operation of Convention bodies, including the permanent secretariat; the process for the review and approval of that budget; the sources of funding for that budget, including assessed and voluntary contributions and cost-sharing; and the scale of assessed contributions by Parties. 1/ These questions were dealt with in a preliminary manner in the above-mentioned note by the interim secretariat (A/AC.237/53) and were also alluded to in the discussion thereof by the Committee at its ninth session. Thus, while the sub-item is new, the subject matter is not.

9. Accordingly, the treatment of the two sub-items has been merged in this report and it is suggested that the Committee consider the two together, taking up item 6 as a whole.

C. Scope of the report

1. Institutional arrangements

10. In response to the request of the Committee at its ninth session, the focus of the present report is on institutional arrangements for the permanent secretariat. The report provides (in section III.A) information and a commentary on various aspects of a possible linkage between the permanent secretariat and any one of the three entities identified by the Committee as potential host organizations (that is, the United Nations Secretariat, UNDP and UNEP). It identifies issues that require further exploration. It also deals briefly (in section III.B) with the other institutional options outlined in the previous note and that are still on the table. To set the background for these institutional considerations, the report presents an initial sketch (in

section II) of the possible functions and scale of operations of the permanent secretariat. Additional background is contained in the previous note (A/AC.237/53), which is the foundation of the present report and may be retained as a reference document for the further discussion of this agenda item.

11. The discussion of possible institutional arrangements in the present report includes relevant financial, administrative and staffing aspects, as requested by the Committee. It also advances some managerial and operational considerations, having to do with the need for the permanent secretariat to mobilize financial resources and promote synergy among complementary programmes in support of the implementation of the Convention. The report draws on information obtained through consultations by the Executive Secretary with concerned departments at United Nations Headquarters and with UNDP and UNEP. Relevant extracts of the correspondence between the Executive Secretary and the executive heads of UNDP and UNEP are reproduced in an addendum to this report (A/AC.237/60/Add.1, available in English only). It should be noted that the submissions from UNDP and UNEP, as well as communications from United Nations Headquarters, refer to the role of the respective governing bodies in any agreement to host the permanent secretariat, namely, the UNDP Executive Board, the UNEP Governing Council or the United Nations General Assembly, as the case may be.

12. Information on relevant precedents, including precedents with respect to other conventions, is included at various points in the report. Experience in managing other convention secretariats is reflected in the letter from the Executive Director of UNEP.

13. The consultations with the three potential host organizations have not reached the stage at which it would be possible to assess the relative costs and benefits of the different options that they represent, as requested by the Committee. That would require further clarification, through negotiation, of such questions as the size of the Convention budget, its sources of funding, whether or not certain costs (such as conference services) could be absorbed by the host organization, delegation of managerial and administrative authority, and the rate of overhead to be charged for programme support services. To the extent possible, preliminary indications that have a bearing on relative costs and benefits are provided.

14. It should be understood, however, that all three entities are part of the same United Nations Organization and that differences in costs of similar services from these entities are unlikely to be so great as to be a major factor in the choice among different institutional linkages. Indeed, the characteristics of different physical locations and the facilities offered by potential host Governments are likely to be more significant in terms of relative costs and benefits, whatever the institutional linkage. Moreover, it should also be borne in mind that many of the factors that need to be considered in choosing an institutional linkage cannot be reduced to cost estimates.

15. In the case of the United Nations Secretariat, it has been assumed, for the purpose of this report, that the point of attachment for the Convention secretariat would be the present host of

the interim secretariat, namely, the Department for Policy Coordination and Sustainable Development (DPCSD). This assumption influences the substantive considerations advanced regarding potential programme synergy (see paragraphs 37-38 below). It does not affect the financial, administrative and staffing implications, since these would be the same for any point of anchorage within the central United Nations Secretariat.

2. Physical location

16. With regard to the physical location of the permanent secretariat, the only new information available since the conclusion of the ninth session of the Committee concerns the offer of accommodation in the planned new WMO headquarters building. This information is contained in section IV.B below. Some general considerations regarding co-location are advanced in section IV.A. It is expected that the delegations of Switzerland and Uruguay will present further information concerning their respective offers to the Committee in session.

D. Possible action by the Committee

1. Institutional arrangements

17. In considering possible institutional arrangements for the permanent secretariat, including their financial, administrative, staffing, managerial and operational implications, the Committee may wish to evaluate the information and the commentary in the present report and its addendum against the general criterion of effectiveness in contributing to the implementation of the Convention and against the following broad desiderata for the permanent secretariat that emerged from its discussion of the subject at its ninth session (see A/AC.237/55, para. 114):

(a) Cost-effectiveness and economical operation;

(b) Collaboration and synergy with other related secretariats;

(c) A sound financial base;

(d) Independence, administrative autonomy and flexibility.

18. In the light of this evaluation, the Committee is invited to provide further and more explicit guidance on its preferences regarding such institutional arrangements, limiting as far as possible the range of options that it will retain for further consideration at its eleventh session. It may take into consideration in this context the possibility of an institutional arrangement that builds on the complementarity of the identified host organizations, all of which are part of the United Nations Organization, as well as the option of two or more such entities co-hosting the permanent secretariat.

19. The Committee may also wish to express its views on matters falling under the heading of financial rules, including the scope of the budget for the operation of Convention bodies, including the permanent secretariat; the process for the review and approval of that budget; the sources of funding for that budget, including assessed and voluntary contributions and cost sharing; and the scale of assessed contributions by Parties. The Committee may wish to pay attention to the importance of predictability in payments of contributions and to consider the need for a working capital fund. The question of an appropriate overhead charge for programme support services also merits consideration by the Committee.

20. The Committee may wish to indicate to the Executive Secretary what further work may usefully be undertaken to prepare for the final round of discussion by the Committee on the above matters at its eleventh session and for its recommendation thereon to COP 1.

21. In considering what further steps are needed towards agreement on that recommendation and the possible role of the United Nations Organization in the institutional arrangements for the Convention secretariat, the Committee may bear in mind that the General Assembly at its forthcoming forty-ninth session will consider an item entitled "Protection of global climate for present and future generations of mankind" (item 93 (b) in the provisional list) and that the Secretary-General of the United Nations will submit a report to the Assembly under that item. It may be noted, in this connection, that any arrangement resulting in the Convention secretariat being hosted by the United Nations Secretariat would require a decision by the Assembly.

2. Physical location

22. The Committee may wish to consider further the physical location of the permanent secretariat in the light of its review of institutional arrangements. It may wish to take into account the information on possible hosting arrangements that may be presented by the Governments of Switzerland, Uruguay and any others that may offer to host the secretariat. It may also take into account the possibility of co-locating the permanent secretariat with other related secretariats; one such option is that of co-location in the planned WMO headquarters building.

II. FUNCTIONS AND COST OF THE PERMANENT SECRETARIAT

A. Functions

23. Article 8.2 provides the bare bones of a "job description" for the permanent secretariat. One way of fleshing it out is to extrapolate from the present tasks of the interim secretariat. The recommendation by the Committee that the permanent secretariat be built on the foundations of the interim secretariat (A/AC.237/55, para. 118) supports this approach.

24. The activities of the interim secretariat are significantly more diverse than those of the original ad hoc secretariat, set up under General Assembly resolution 45/212, from which the interim secretariat evolved. They are also, in some cases, qualitatively different. In the negotiation of the Convention, the ad hoc secretariat supported the Committee essentially by facilitating and recording its work, without contributing to the substance of the negotiations. Since the adoption of the Convention, there has been a progressively larger volume of requests from the Committee for substantive inputs to its work on the implementation of the Convention. The first, tentative, input by the secretariat was a note for the seventh session of the Committee, on issues relating to the financial mechanism of the Convention. Since then such papers have become common practice. Discretion continues to be an essential factor in the effectiveness of the secretariat in supporting a Government-led process; but the level of the exposure of the secretariat and of its responsibility, as well as of the extrabudgetary funds that it is using, has increased significantly.

25. It may be expected that this function of substantive support to intergovernmental deliberations will be taken over by the permanent secretariat of the Convention, as one of the services to the COP and its subsidiary bodies covered by Article 8.2(a). It may also be envisaged that the Parties will continue to request substantive inputs from the permanent secretariat when they move back into a negotiating mode.

26. Another qualitative shift may be about to occur. For the last one and a half years, broadly speaking, the interim secretariat has sought to help the Committee to consider and agree how to undertake certain work. Now there is a need to actually do that work, with respect to the first review of communications from Annex I Parties and the review of the adequacy of commitments in Article 4.2(a) and (b). It is possible that the interim secretariat will be asked to contribute to this work in the period between the tenth and eleventh sessions of the Committee. If this trend were to continue, the permanent secretariat might be requested to contribute to such other areas of work as a pilot phase for joint implementation and substantive support for the Subsidiary Body for Scientific and Technological Advice, for example.

27. A third development in the activities of the interim secretariat has been its effort, with other United Nations partners, to mobilize and facilitate activities of technical and financial cooperation with developing and other countries, in support of their implementation of the Convention. The latest stage of this effort is described in another document before the Committee (A/AC.237/75). This is a third potential thrust for the permanent secretariat, corresponding to the provisions of Article 8.2(c) and (e) and Article 12.7. It is also related to work on the financial mechanism of the Convention.

28. Looking ahead and drawing on the experience of the interim secretariat, one can typify the likely activities of the permanent secretariat under a few general functional headings:

- **review of implementation** (support to the COP and subsidiary bodies in: assessing and reviewing scientific, technical, social and economic information;

elaborating methodologies; reviewing national communications; reviewing the implementation of the Convention; operating a multilateral consultative process under Article 13);

- **sustainable development cooperation** (support to the COP in guiding the functioning of the financial mechanism; support for action by Parties to formulate and implement climate change programmes and integrate them with national sustainable development strategies, through financial and technical cooperation; facilitation and monitoring of joint implementation);

- **Convention development** (support for negotiations on amendments and protocols; exploration of new concepts and approaches as an input to negotiations);

- **process management and support services** (planning and organization of intergovernmental processes; relations with Parties and other participants; general legal advice; public information; information systems services);

- **executive direction and overall coordination** (including resource mobilization, collaborative agreements with partner agencies, financial and personnel management, and accountability).

29. Elements of all but the third of these functions are to be found in the present activities of the interim secretariat. See, for example, the description of secretariat activities in annex III of document A/AC.237/61. The way in which staff and other resources can best be deployed to undertake these functions must remain under careful review, to ensure flexibility and effectiveness in responding to changing priorities.

30. Common to all the above functions is the need to undertake collaborative activities with other related secretariats, so as to benefit from synergy, cut costs and provide coherent support to Governments in different international bodies. Openness to such collaboration, indeed the search for it, is another essential factor in secretariat effectiveness. Whatever the institutional linkage negotiated for the permanent secretariat, it would need to ensure that the secretariat and its head can work with, and mobilize inputs from, all partner agencies, entering into such agreements as may be needed for this purpose, consistent with Article 8.2(e) and (f).

B. Cost

31. The scale of operations of the permanent secretariat will evolve in response to the decisions of the COP, the negotiation of new legal instruments and the availability of funds. It may be noted that other international processes with an important function of policy review (see annex to A/AC.237/63) have substantial staffs. In round figures, the estimates for the interim secretariat foresee a staff that rises from the present level of 30 to 40 in 1995; the full provision for "post-COP 1 contingencies" could take this to 50 (see A/AC.237/61, annex III). The staffing

needs for the permanent secretariat in 1996 would depend on the decisions of COP 1. They would also be influenced by decisions to be taken on the availability of conference and administrative services, as well as on physical location.

32. Since staffing is the main cost item in a secretariat that supports an intergovernmental process, the scale of the budget of the permanent secretariat would largely depend on the number of staff. This, in turn, would depend on the staffing needs of a work programme agreed by the COP. If, for example, the COP were to agree on the need for a secretariat with 50 to 55 staff members of all grades, its annual cost would be in the region of US$10 million to US$11 million. This illustrative estimate is based on current costs in Geneva, which is at the upper end of the United Nations scale of post adjustments. The estimate is highly susceptible to fluctuations in the exchange rate between Swiss francs and the US dollar, which is currently well below the standard United Nations rate used for this estimate (Sw F 1.49 to the dollar, as against the current rate of around Sw F 1.35). The estimate includes a 13 per cent "overhead" charge for programme support costs. It does not include :

(a) Any provision for a working capital fund (see paragraph 56 below) or the 15 per cent retention for an operating reserve that is currently set aside from extrabudgetary contributions (see A/AC.237/61, para. 13);

(b) The annual cost of conference services (US$2.0 million to US$3.0 million for four to six weeks of meetings, as estimated in paragraph 61 below);

(c) The annual cost of funding participation in the COP and the subsidiary bodies by representatives of eligible Parties (US$1.5 million to US$2.0 million);

(d) Any contribution to the costs of the scientific and technological assessments that will be needed by the COP (see A/AC.237/53, para. 38, and paragraph 54 below).

33. All these qualifications to the above estimate clearly indicate that it is no more than an illustrative order of magnitude that can be used by Parties to estimate what their individual contributions to a Convention budget might be (see paragraph 53 below and the annex to this report). Alternative estimates, based on different levels of staffing, can also be used for this purpose. However, the scale of resources resulting from the example given emphasizes the importance of the secretariat function of resource mobilization, relating both to financial resources and to collaborative inputs in kind, as well as the need for adequate modalities for programme budget review by the COP and for accountability for the use of these resources.

III. INSTITUTIONAL LINKAGES FOR THE PERMANENT SECRETARIAT

A. Possible arrangements with the United Nations Secretariat, UNDP and UNEP

34. To facilitate comparability, consultations with the United Nations Secretariat, UNDP and UNEP were structured to cover essentially the same ground. Thus, in all three cases, two main issues were considered: first, the substantive links between the possible host organization and the work undertaken under the Convention; and second, organizational and administrative aspects. (See, in the addendum to this report, the list of questions annexed to the letter of 7 April from the Executive Secretary.) As stated in paragraph 15 above, consultations with the United Nations Secretariat focused on a possible linkage with the DPCSD. The issue of the physical location of the permanent secretariat was not discussed in any depth in this round of consultations. It was considered that -- in advance of the examination by the Committee of this issue -- the consultations might better concentrate on substantive and administrative synergy. These, in turn, are relevant to the question of co-location of related secretariats.

35. The information gathered from the consultations is summarized below, together with comments thereon. Written contributions by the executive heads of UNDP and UNEP are contained in the addendum to this report.

1. Substantive synergy

36. All three possible host organizations can provide significant substantive support to the work programme to be undertaken pursuant to the Convention. The focus and content of that support, however, differs considerably among the three.

37. As regards the DPCSD, its main collaborative potential lies in its capacity to provide a close relationship and interaction with intergovernmental and interagency processes directed towards the broad objective of sustainable development. While any linkage with the central United Nations Secretariat would situate the Convention secretariat in a suitably multidisciplinary policy environment, linkage with the DPCSD would place it in direct contact with the follow-up of Agenda 21.

38. The Department is responsible for the follow-up of Agenda 21, through its substantive support for the Commission on Sustainable Development and its leadership of the Inter-Agency Committee on Sustainable Development. The linkages between climate change and Agenda 21 are pervasive. Apart from the evident relevance of Chapter 9 of Agenda 21, "Atmosphere", there are linkages with such areas as poverty, consumption patterns and demographic dynamics (chapters 3, 4 and 5), forests and oceans (chapters 11 and 17), and trade, finance and technology (chapters 1, 33 and 34), to name a few clusters of issues. Work undertaken towards the aims of Agenda 21 in these and other areas can contribute to the achievement of the objective of the Convention, and vice versa. (The question of consistency between the aims of the Convention and those of Agenda 21 is also discussed in document A/AC.237/71.)

39. For its part, UNEP has a mandate -- reflected in Agenda 21, chapter 38, paragraph 22 (h) -- to concentrate, inter alia on coordinating functions arising from an increasing number of international legal agreements. This includes the functioning of the secretariats of such conventions, "taking into account the need for the most efficient use of resources, including possible co-location of secretariats established in the future." In fact, a number of secretariats of conventions administered by UNEP, namely, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal and the Convention on International Trade in Endangered Species of Wild Fauna and Flora, as well as the interim secretariat of the Convention on Biological Diversity, are already co-located in the same building in Geneva -- the building that also houses the interim secretariats of the Framework Convention on Climate Change and of the Convention to Combat Desertification.

40. Beyond the relative advantages of co-location with other conventions (see paragraph 76 below), UNEP can provide substantive support to the Convention secretariat through its own in-house programmes on atmosphere, ozone, energy, terrestrial ecosystems, global monitoring and environmental law, which are at different stages of development. Resource considerations would, of course, affect the rate of that development and thus the depth of that support; but this constraint also applies to other host organizations.

41. The main substantive contribution of UNDP lies in its country network. Through its 131 offices throughout the world, and through its emphasis on capacity building and assistance in policy-making, UNDP can assist developing countries and countries with economies in transition in implementing their commitments under the Convention and in integrating this action with national strategies for sustainable development. It should be noted in this regard that UNDP has recently added over 40 posts of "sustainable development advisers" to its country network in order to strengthen its capacity in the field of sustainable development and environment. Moreover, the Administrator of UNDP has recently been entrusted with new responsibilities within the United Nations relating inter alia to the coordination of operational activities for development throughout the United Nations system.

42. It may be remarked that, while the scope of the Convention is global, the mandate of UNDP is by definition directed towards the developing world and also, more recently, towards countries with economies in transition. However, it is unlikely that other countries would require much support from the United Nations system in formulating and implementing national climate change programmes. Thus, the particular focus of the UNDP mandate is consistent with the substantive needs of the Convention.

43. These thumbnail sketches of the three possible host organizations mention both their mandates and their capacities. Mandates are set in different organizations by more or less the same Governments and need to be kept under review by those Governments to ensure their continuing relevance and coherence. For the most part, the mandates indicated above originate from, or were reviewed by, the United Nations Conference on Environment and Development in 1992. Actual programme capacities are at least as important as mandates. Those of the three

organizations, while differing in thrust and in depth, are to a large extent complementary in their potential to provide substantive support to the implementation of the Convention.

44. This complementarity, and the fact that the three entities are part of the United Nations Organization under the common authority of its Secretary-General, leads to the conclusion that, whatever the institutional linkage that may be decided for the permanent secretariat, it should permit and encourage that secretariat to draw upon the capacities of all three programmes in a way that maximizes their synergy in support of the Convention. If this is taken as given, one could go so far as to suggest that the actual choice of institutional anchorage should not have a material effect on the substantive support for the Convention. (See A/AC.237/53, para. 24.) In such a perspective, organizational and administrative criteria, with their related synergy, may become more critical as factors of that choice.

2. Organizational and administrative considerations

45. Issues of cost and of cost-effectiveness in relation to institutional linkages are affected by matters which have not yet been dealt with by the Committee, or on which no decision has as yet been taken. First and foremost among them is the manner in which resources for the functioning of the secretariat are to be obtained -- that is through assessed contributions, voluntary contributions, cost sharing or a mix of all. The size of the permanent secretariat and the level of the budget are also germane to this question. Another relevant issue is the identity of the permanent secretariat within the host organization, and the degree of authority it should enjoy in personnel and financial matters. The prospect of cost sharing would be influenced by the degree to which the membership of the Convention differs from that of the host organization concerned. In the absence of further information and decisions on these matters, it has not been feasible to obtain precise data on the possible cost to the Parties of alternative institutional linkages. Furthermore, all views put forward by the three organizations concerned in this initial consultation process are necessarily ad referendum, since any additional resources required by them to provide support to the permanent secretariat would require the approval of the respective intergovernmental body or bodies.

46. In order to facilitate consideration of organizational and administrative matters, the material has been organized under the following specific heads.

(a) Financial resources

(i) Cost sharing with a host organization

47. In the previous note on the subject of the permanent secretariat, the possibility was raised of the host organization making a contribution in kind by sharing costs. Infrastructural services, including administrative and conference services, were the main category of costs mentioned in this connection; certain staff costs were another (see A/AC.237/53, paras. 30-35). In general, the consultations confirmed the statement, also contained in that note, that "normally, the Parties to a

Convention are responsible for meeting its operating costs" (A/AC.237/53, para. 30). Any variations from that norm would have to be requested by the COP and approved by the relevant governing body.

48. Nevertheless, the possibility of staff secondments from the host organization remains open. At present, the interim secretariat is benefiting from staff secondments from two of the three entities (the DPCSD and UNEP), as well as from WMO (see A/AC.237/61, paras. 14 and 17). The Administrator of UNDP mentioned the possibility of such secondments in his letter to the Executive Secretary. All these possibilities would need to be explored by the permanent secretariat. It may be necessary for the COP to make a formal request for such support to the governing body concerned; in the case of WMO, an approach to its Executive Council would be in order.

49. The only practical possibility of conference servicing costs being absorbed by a host organization appears to lie in a linkage with the United Nations Secretariat. Neither of the other two organizations have a sufficiently large budget for conference services to be able to absorb the costs of some four to six weeks of meetings annually. Even in the case of the United Nations, though, this would require a formal request by the COP to the General Assembly. The positive outcome of such a request could not be taken for granted, although the decision of the General Assembly to cover the conference servicing costs of COP 1 is encouraging (see General Assembly resolution 48/189, para. 3).

50. Some compensation for the responsibility of Parties to bear the full costs of their Convention is that this permits greater efficiency in their budgetary decisions, greater transparency in the use of funds and greater accountability for their use. Another relevant point is that participation in the Convention is such that there is likely to be little difference between the United Nations scale of budgetary assessments and a scale of assessment for Parties (see paragraph 53 below).

(ii) Assessed and voluntary contributions

51. As indicated in the previous note on the subject of the permanent secretariat (A/AC.237/53, para. 36), voluntary contributions would not provide the sound financial base which the Committee has identified as one of the desiderata for the permanent secretariat (see paragraph 17 above). An assessed budget is a necessary, though not sufficient, condition for predictability.

52. Voluntary contributions can, however, continue to play an important supplementary role, for example:

- to finance the participation of delegates from developing country Parties and other eligible Parties in sessions of the COP and of expert representatives from such Parties in the subsidiary bodies;

- to provide additional funding for secretariat activities, for example, those aimed at facilitating assistance to the above-mentioned Parties in implementing the Convention.

53. The annex to this document shows the scale of assessment for the United Nations for 1994, together with two other scales -- shown for illustrative purposes -- that adjust the United Nations scale to include 86 actual and potential States Parties (as at 29 July 1994). Column C of the table shows that the total share of these States in the United Nations scale is 92.15 per cent. Column D shows an adjusted scale with a ceiling of 25 per cent on any single contribution. Column E takes the adjustment further by inserting a floor of 0.015 per cent, thereby excluding all Parties (37 at present) with a contribution of 0.01 per cent. For the sake of the example, it may be noted that:

- a contribution of 0.01 per cent of an assessed budget of US$10 million would amount to US$1,000, that is, not much more than the cost of paying, collecting and administering this sum;

- according to column E, two hypothetical Parties with a United Nations scale of 1 per cent and 10 per cent would have an assessment of 1.12 per cent and 11.23 per cent, respectively;

- the difference between the United Nations scale and columns D and E will decrease as more States become Parties, particularly States with significant shares of the United Nations budget as indicated in column A.

54. A question posed in the previous note may be reformulated here -- that is, whether the assessed contributions from Parties should cover some of the cost of obtaining scientific and technological assessments as inputs to the implementation of the Convention (see A/AC.237/53, para. 38). In the present circumstances, this would involve a contribution by the COP, from its assessed budget, to the budget of the Intergovernmental Panel on Climate Change (IPCC). Such a contribution would have to be governed by an understanding between the two bodies regarding the continued independence of the IPCC assessments (which is a factor of their utility to the COP) and the use of the subsidy for purposes that respond to the needs of the Convention. The IPCC at its tenth session (Nairobi, 10-12 November 1994) will be discussing procedures to make its review process more responsive to these needs in the short term.

(iii) Working capital

55. Experience in both the United Nations Secretariat and UNEP in hosting and administering convention secretariats underlines the difficulty of ensuring predictability in payments of contributions. In both institutional settings, cash flow problems have arisen in cases where the assessments for the convention secretariat concerned were not part of the assessments for the host organization as a whole. Thus, for example, in the case of the United Nations, the

activities related to the Convention on the Elimination of Racial Discrimination (CERD), which was subject to a separate scale of assessments, experienced severe and repeated cash flow problems, owing to late payment or non-payment of assessments, until the General Assembly decided to place the CERD budget within the United Nations regular budget. On the other hand, no special financial problem has arisen in the case of the United Nations Convention on the Law of the Sea (UNCLOS), because its interim secretariat services have been provided within the programme budget of the United Nations. Convention secretariats hosted by UNEP have also experienced significant cash flow problems owing to late receipt of contributions. On several such occasions, UNEP has provided cash advances from the Environment Fund on a reimbursable basis. UNDP, for its part, has not yet hosted a convention secretariat. In any event, such cash flow problems would seem to depend, not so much on the identity of the host organization, but rather on the nature of the assessed contributions, that is, whether they are part of the assessment for the host organization itself, or are on the contrary governed by a special scale for the convention. 2/

56. This experience points to the need for Parties to provide for some sort of working capital fund or other financial buffer in the arrangements for financing the Convention. The level of such a provision would have to be decided and its use subject to special guidance and reporting.

(iv) Administrative and budgetary review

57. As indicated in the previous note, consideration needs to be given to the way in which administrative and budgetary proposals relating to the functioning of the permanent secretariat will be reviewed before they are presented to the COP. A small, representative group of Parties might be set up to carry out such reviews (see A/AC.237/53, para. 41).

(b) Overhead charge

58. Linked to the basic issue of sources of financing, discussed above, is that of overhead costs, that is, costs charged by an organization in respect of services performed for units which are not an integral part of that organization, or that are funded from sources other than its core budget. 3/ The United Nations Secretariat, UNDP and UNEP provide support services to activities which are not part of their core programme budget and all three levy an overhead charge for those services. The United Nations either retains 13 per cent of expenditures from trust funds that it administers or obtains reimbursement of services rendered to entities that are entirely funded outside its regular budget. UNEP levies an overhead charge at the rate of 13 per cent. UNDP negotiates the rate, which could be lower or higher than 13 per cent. Therefore, if the Convention were to be funded from sources other than the regular United Nations or UNEP budget, or outside the UNDP administrative budget, provision for an overhead charge in the area of 13 per cent of estimated expenditures would need to be included in the Convention budget in respect of reimbursement to the host organization for provision of support services.

59. An overhead charge of 13 per cent is in fact currently factored into the estimates prepared by the interim secretariat, including that in paragraph 32 above. The possibility of negotiating a lower rate for the permanent secretariat would have to be explored.

(c) Conference services

60. According to Article 7.4 of the Convention, the COP will normally meet once every year. Articles 9 and 10 provide that each of the two subsidiary bodies established by the Convention "shall report regularly to the Conference of the Parties". While these latter provisions do not establish a periodicity for the meetings of the subsidiary bodies, it is reasonable to assume that they will each meet at least once a year. In addition, there may be a need for meetings of ad hoc bodies. Thus, a basic pattern of meetings might be set at the level of four to six meeting-weeks per year.

61. Requirements for interpretation, translation, document reproduction and distribution and other conference services would entail considerable expenditure, depending, inter alia, on the number of languages for the meeting in question. For illustrative purposes, the United Nations Office at Geneva currently estimates the cost of a two-week meeting in Geneva in 1994, in six languages, with 500 pages of documentation, pre-, in- and post-session, at US$810,000. This estimate excludes rental of conference rooms and offices and programme support costs. The latter, at 13 per cent, would raise this figure to US$930,000. Provision for inflation in 1995 would take it up to US$1 million. On this basis, two to three two-week meetings would cost US$2 million to US$ 3 million. It is thus evident that conference services for sessions of the COP and of its subsidiary bodies would constitute a significant item in the Convention budget, unless, of course, those costs were included in the regular pattern of conferences of the host organization (see paragraph 49 above).

62. Present practice in the United Nations, in terms of provision of conference services to an extrabudgetary activity, is to charge to that activity the estimated full cost of those services. UNEP has a more flexible policy in respect of conference services for the conventions that it administers. It generally charges identifiable additional costs, plus a charge, based on standard costs, for reproduction and distribution of documents. This practice may result in less than "full cost" reimbursement, since "identifiable additional costs" would include, for example, the cost of free-lance staff recruited for the meeting, but not that of regular staff assigned by UNEP to that meeting. Thus, the amount that would be charged by UNEP for a meeting serviced by it in Geneva, with the same parameters as indicated in the preceding paragraph, is estimated at US$730,000 (excluding rentals and programme support costs). It may also be noted that UNEP provides more flexible terms than other organizations for settlement of the costs of meeting services. As regards UNDP, payment by the Convention for meetings services would have to be negotiated, on the assumption that those costs would be borne by the Parties to the Convention.

(d) Other organizational matters, including personnel issues

63. Whether or not the permanent secretariat of the Convention should be a clearly distinguishable organizational unit, regardless of the identity of the host organization, and the degree of autonomy it should possess in personnel and financial matters are questions of considerable importance which have not yet been considered by the Committee other than in very general terms (see A/AC.237/55, para. 114). Precedents exist for a wide variety of institutional arrangements relating to both treaty and non-treaty bodies.

64. In the United Nations, those institutional arrangements range from complete integration of the secretariat of the body concerned into the core structure of the United Nations (as is, for example, the case with the interim arrangements for UNCLOS 4/) to a considerable degree of autonomy (as is, for example, the case with the UNCTAD/GATT International Trade Centre). Obviously, the greater the degree of involvement of the United Nations regular budget in the financial picture, the greater also is the degree of integration into the regular personnel and administrative practices of the United Nations. Even here, however, exceptions may occur. For example, within the United Nations, the Registrar of the International War Crimes Tribunal enjoys a fairly ample degree of autonomy in the recruitment and administration of the staff of the Tribunal, up to and including the D.1 level. The counterpart of such autonomy, in this and other cases, is that the service of the staff thus recruited is limited to the unit concerned.

65. Convention secretariats administered by UNEP preserve their identity as distinct organizational units within UNEP, but are generally fully subject to standard UNEP personnel and administrative procedures. They are managed as integral parts of the decentralized UNEP structure. Their staff may be transferred from or to other UNEP units. UNEP has achieved considerable experience in providing administrative support to these secretariats. UNEP administers the secretariats of the Convention on the Conservation of Migratory Species of Wild Animals (CMS), the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal, the Vienna Convention for the Protection of the Ozone Layer and the related Montreal Protocol on Substances that Deplete the Ozone Layer, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) and the interim secretariat of the Convention on Biological Diversity. All these secretariats, housed in four different cities in Africa, Europe and North America, are administered centrally from one of these cities (Nairobi). It is understood, however, that UNEP intends to strengthen its administrative capability in its Regional Office for Europe in Geneva, in order to more effectively service the convention secretariats based there.

66. No precedent, in terms of administration of treaty bodies, exists in UNDP. However, UNDP has also developed a decentralized administrative structure, including flexible financial and personnel procedures that respond to a wide range of administrative needs. It indicates that similarly flexible procedures could be tailor-made to fit the needs of the COP and its secretariat.

67. A specific set of organizational issues that require some guidance from the Committee concerns the post of the head of the permanent secretariat (see A/AC.237/53, paras. 29 and 40). The duties and responsibilities of this post will need to be defined. They would include not only the tasks of executive direction and coordination of the activities of the secretariat, but also those of mobilizing resources for its work, negotiating collaboration agreements with partner agencies and rendering account both to the COP and to the host organization. As indicated in the previous secretariat note cited above, the level of the post and its managerial autonomy, as well as the opportunity that it provides to contribute to relevant administrative and budgetary decisions in the host organization, will be factors contributing to the effectiveness of secretariat heads in undertaking these tasks. The formal questions of title and term of office may also merit some consideration. A further issue is the degree of involvement of the COP in the process whereby a head of secretariat is from time to time selected for appointment. Any such involvement would have to be consistent with the rules and procedures of the host organization and with the accountability of the head of the secretariat to the COP and to the host organization.

68. One precedent regarding the designation of the head of a convention secretariat is that of the permanent convention secretariats administered by UNEP. In those cases, the respective Conferences of the Parties (COPs) have entrusted UNEP with the task of providing secretariat services. Thus, in effect, the Executive Director of UNEP is empowered to act as "Secretary-General" at meetings of each COP, in accordance with its rules of procedure, and is accountable to each COP for secretariat services rendered. The management of each convention servicing unit is delegated to a UNEP official, who works within the framework of policy guidance given by the COP in question and receives administrative guidance from the Executive Director. Article 8 of the Convention does not follow this precedent (though it may not preclude it); nor do the draft rules of procedure for the COP (see draft rule 28).

B. Other institutional options

69. As recalled in the introduction, the Committee decided to pursue all the institutional options that were mentioned in the previous secretariat note. The options that have not been covered by the preceding section III.A are:

- A fully independent secretariat (see A/AC.237/53, paras. 13-15);
- A linkage to a specialized agency, such as WMO (see A/AC.237/53 para. 21);
- A distinct entity within the United Nations Secretariat (see A/AC.237/53, para. 22).

70. On the first option, it may be fair to point out that the disadvantage that was seen to lie in its financial exposure (see A/AC.237/53, para.13) appears to be shared with the options discussed in section A above (see paragraph 55 in particular). A further possible consideration

is that full independence would isolate the permanent secretariat from possible negative feedbacks (for example, administrative and/or financial) from the host organization. A recent example of the fully independent option is the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and their Destruction, 1992.

71. The third option would provide a high degree of functional autonomy, while keeping the permanent secretariat within an existing administrative structure and a suitably multidisciplinary policy framework. An example of this option is the original secretariat arrangement for UNCLOS, no longer extant (see endnote 4). Reference may also be made to the recent precedent constituted by the secretariat of the Global Environment Facility. The latter is to be functionally independent, while drawing upon three implementing agencies (UNDP, UNEP and the World Bank) and being supported administratively by one of them (the World Bank). Although this precedent is outside the United Nations proper, it involves two United Nations programmes and may contain some useful pointers.

72. Indeed, a new option that has arisen during the consultations of the Executive Secretary is that of the permanent secretariat being co-hosted by those two programmes, namely, UNDP and UNEP. This idea is contained in the letters of the executive heads of these two bodies. It has not yet been examined in detail; its practical effect would need to be clarified. It could presumably apply to other combinations of hosts.

IV. PHYSICAL LOCATION

73. The foregoing overview of administrative and organizational matters does not shed much additional light on the question of the physical location of the secretariat. All three possible host organizations have had long experience in administering units of varying size and complexity scattered throughout the globe -- from complex peace-keeping operations in the case of the United Nations Secretariat, through the variety of UNEP regional offices, programme activity centres and convention secretariats, to the world-wide network of country offices of UNDP. Differences in the treatment of overhead charges or of conference servicing costs, as in administrative flexibility, while requiring closer examination, may not be materially influenced by different physical locations.

A. Co-location

74. The possibility of co-locating the permanent secretariat with other related secretariats was discussed during the ninth session of the Committee. The issue of co-location has been discussed in other forums, including the Commission for Sustainable Development which, at its second session, in 1994, agreed on the need for coordination and more efficient structural arrangements among the secretariats of conventions related to sustainable development.

75. One clear argument for co-location is the convenience of access by delegations to a number of secretariat units located in one place, which cuts costs of travel and communications for delegations. Another argument in its favour is that co-location enables the neighbouring units to reduce their costs by sharing facilities and equipment, such as administrative services, communication and information systems, library services, public information services, and so on.

76. In considering this question further, it is important to bear in mind that there are several possible axes along which co-location can be envisaged and organized. Each would lead to a different grouping of secretariat units, perhaps in a different location. Co-location of convention secretariats is one such axis. The uniting factor, and the main additional source of synergy in such a case, would be the common legal form and procedures of the instruments in question. Conventions which shared similar financial provisions, such as those on climate change and biological diversity, would have further interface. However, substantive linkages among the problems of environment and development addressed by each convention would range in degree from close to tenuous.

77. Other valid axes for co-location could focus on substantive coordination, programme delivery or bureaucratic dynamics (that is, the ability to tap resources and contribute to administrative and budgetary decisions). In all co-location scenarios, however, the assessment of advantages should be tempered by the need to maintain the degree of managerial autonomy considered appropriate for each co-located unit.

78. It should be remarked that the questions of co-location and of institutional linkage are quite distinct. As has already been pointed out, the interim secretariat, institutionally linked to DPCSD, is co-located with a number of units administered by UNEP.

B. Possible accommodation in the new WMO headquarters building

79. The Secretary-General of WMO, addressing the eighth session of the Committee, conveyed the proposal that the COP consider locating the permanent secretariat of the Convention in the planned new WMO headquarters building. This proposal was reiterated at the ninth session (A/AC.237/55, para. 113).

80. The Secretary-General of WMO has also raised this matter with the Executive Council of WMO. In a presentation at the recent 46th session of the Council (7-17 June 1994), the Secretary-General underlined the advantages of co-locating with WMO units that share the interests of that organization in geophysics and the environment. (It is envisaged, for example, that the secretariat of the IPCC would be among these. The possibility of co-locating other relevant secretariats, including that of the Intergovernmental Oceanographic Commission of UNESCO, is being investigated.) The Executive Secretary was invited to contribute to the discussion of this item by the Council. The Council expressed enthusiasm for the concept of such co-location, referring to the synergy between the World Climate Programme and the Convention secretariat.

81. Taking the size of the new WMO headquarters building into account, the Executive Council decided that two floors out of the eight floors of office space should be rented out at the market rate in Geneva. The Executive Council also decided that a part of another floor could be considered for co-location of organizations sharing a common interest with WMO. Such co-location could be proposed on a subsidized basis (about 25 to 40 per cent lower than the market rate).

82. The Secretary-General of WMO has reiterated his proposal that consideration should be given to accommodating the Convention secretariat in the new WMO headquarters premises at a suitable subsidized rent. He advises that the proposed office space will become available during early 1998. The total area available is about 4400 square metres for rental at market rate and 1100 square metres for subsidized rental. The present premises of the interim secretariat, including service areas, occupy approximately 1700 square metres. The needs of the permanent secretariat for office space still have to be assessed.

Notes

1/ According to this understanding of the scope of sub-item 6 (b), the sub-item does not, at least at this stage, call for the preparation and consideration of draft financial regulations and rules. It is assumed that the permanent secretariat will function within the financial and staff regulations and rules of a host organization, covering, inter alia, such questions as authorization of expenditure, audit, contracts and procurement.

2/ The term "assessed contributions", as used in this report, includes pledges made for each budget cycle, in accordance with a scale of contributions agreed upon by the Parties concerned.

3/ If the unit is financed from the core budget, the costs of administering and servicing it are part of that same budget. Those costs may be attributed or apportioned -- depending on the budget presentation -- to the unit itself, or to the central support services of the organization concerned.

4/ After the adoption in 1982 of UNCLOS, which contains no provision regarding a convention secretariat, secretariat services for that Convention were originally provided by a *distinct unit within the United Nations* Secretariat, known as the Office for Ocean Affairs and the Law of the Sea. Its head reported directly to the Secretary-General. In 1992, this arrangement was changed as a result of the restructuring of the United Nations Secretariat. Secretariat services to UNCLOS have since been provided from within the Office of Legal Affairs; the director responsible reports to the head of that Office, the Legal Counsel.

Annex

ILLUSTRATIVE SCALES OF ASSESSED CONTRIBUTIONS TO UNFCCC BUDGET *

Country	A: UN scale	B: Parties	C: Scale for Parties	D: Adjusted < 25	E: 0.015<X<25
Afghanistan	0.01	N	-	-	-
Albania	0.01	N	-	-	-
Algeria	0.16	Y	0.16	0.18	0.18
Andorra	0.01	N	-	-	-
Angola	0.01	N	-	-	-
Antigua and Barbuda	0.01	Y	0.01	0.01	-
Argentina	0.57	Y	0.57	0.64	0.64
Armenia	0.13	Y	0.13	0.15	0.15
Australia	1.51	Y	1.51	1.69	1.70
Austria	0.75	Y	0.75	0.84	0.84
Azerbaijan	0.22	N	-	-	-
Bahamas	0.02	Y	0.02	0.02	0.02
Bahrain	0.03	N	-	-	-
Bangladesh	0.01	Y	0.01	0.01	-
Barbados	0.01	Y	0.01	0.01	-
Belarus	0.48	N	-	-	-
Belgium	1.06	(Y)	1.06	1.18	1.19
Belize	0.01	N	-	-	-
Benin	0.01	Y	0.01	0.01	-
Bhutan	0.01	N	-	-	-
Bolivia	0.01	N	-	-	-
Bosnia and Herzegovina	0.04	N	-	-	-
Botswana	0.01	Y	0.01	0.01	-
Brazil	1.59	Y	1.59	1.78	1.79
Brunei Darussalam	0.03	N	-	-	-
Bulgaria	0.13	N	-	-	-
Burkina Faso	0.01	Y	0.01	0.01	-
Burundi	0.01	N	-	-	-
Cambodia	0.01	N	-	-	-
Cameroon	0.01	N	-	-	-
Canada	3.11	Y	3.11	3.47	3.49
Cape Verde	0.01	N	-	-	-
Central African Republic	0.01	N	-	-	-
Chad	0.01	Y	0.01	0.01	-
Chile	0.08	N	-	-	-
China	0.77	Y	0.77	0.86	0.86
Colombia	0.13	N	-	-	-
Comoros	0.01	N	-	-	-
Congo	0.01	N	-	-	-
Cook Islands	0.01	Y	0.01	0.01	-
Costa Rica	0.01	N	-	-	-

* See last page for explanations of the columns.

ILLUSTRATIVE SCALES OF ASSESSED CONTRIBUTIONS TO UNFCCC BUDGET (continued)

Country	A: UN scale	B: Parties	C: Scale for Parties	D: Adjusted < 25	E: 0.015<X<25
Côte d'Ivoire	0.02	N	-	-	-
Croatia	0.13	N	-	-	-
Cuba	0.09	Y	0.09	0.10	0.10
Cyprus	0.02	N	-	-	-
Czech Republic	0.42	Y	0.42	0.47	0.47
Democratic People's Republic of Korea	0.05	N	-	-	-
Denmark	0.65	Y	0.65	0.73	0.73
Djibouti	0.01	N	-	-	-
Dominica	0.01	Y	0.01	0.01	-
Dominican Republic	0.02	N	-	-	-
Ecuador	0.03	Y	0.03	0.03	0.03
Egypt	0.07	N	-	-	-
El Salvador	0.01	N	-	-	-
Equatorial Guinea	0.01	N	-	-	-
Eritrea	0.01	N	-	-	-
Estonia	0.07	Y	0.07	0.08	0.08
Ethiopia	0.01	Y	0.01	0.01	-
Fiji	0.01	Y	0.01	0.01	-
Finland	0.57	Y	0.57	0.64	0.64
France	6.00	Y	6.00	6.70	6.74
Gabon	0.02	N	-	-	-
Gambia	0.01	Y	0.01	0.01	-
Georgia	0.21	Y	0.21	0.23	0.24
Germany	8.93	Y	8.93	9.97	10.03
Ghana	0.01	N	-	-	-
Greece	0.35	(Y)	0.35	0.39	0.39
Grenada	0.01	N	-	-	-
Guatemala	0.02	N	-	-	-
Guinea	0.01	Y	0.01	0.01	-
Guinea-Bissau	0.01	N	-	-	-
Guyana	0.01	N	-	-	-
Haiti	0.01	N	-	-	-
Holy See	0.01	N	-	-	-
Honduras	0.01	N	-	-	-
Hungary	0.18	Y	0.18	0.20	0.20
Iceland	0.03	Y	0.03	0.03	0.03
India	0.36	Y	0.36	0.40	0.40
Indonesia	0.16	N	-	-	-
Iran (Islamic Republic of)	0.77	N	-	-	-
Iraq	0.13	N	-	-	-
Ireland	0.18	Y	0.18	0.20	0.20
Israel	0.23	N	-	-	-
Italy	4.29	Y	4.29	4.79	4.82

ILLUSTRATIVE SCALES OF ASSESSED CONTRIBUTIONS TO UNFCCC BUDGET (continued)

Country	A: UN scale	B: Parties	C: Scale for Parties	D: Adjusted < 25	E: 0.015<X<25
Jamaica	0.01	N	-	-	
Japan	12.45	Y	12.45	13.91	13.96
Jordan	0.01	Y	0.01	0.01	-
Kazakhstan	0.35	N	-	-	-
Kenya	0.01	N	-	-	-
Kiribati	0.01	N	-	-	-
Kuwait	0.25	N	-	-	-
Kyrgyzstan	0.06	N	-	-	-
Lao People's Democratic Republic	0.01	N	-	-	-
Latvia	0.13	N	-	-	-
Lebanon	0.01	N	-	-	-
Lesotho	0.01	N	-	-	-
Liberia	0.01	N	-	-	-
Libyan Arab Jamahiriya	0.24	N	-	-	-
Liechtenstein	0.01	Y	0.01	0.01	-
Lithuania	0.15	N	-	-	-
Luxembourg	0.06	Y	0.06	0.07	0.07
Madagascar	0.01	N	-	-	-
Malawi	0.01	Y	0.01	0.01	-
Malaysia	0.12	Y	0.12	0.13	0.13
Maldives	0.01	Y	0.01	0.01	-
Mali	0.01	N	-	-	-
Malta	0.01	Y	0.01	0.01	-
Marshall Islands	0.01	Y	0.01	0.01	-
Mauritania	0.01	Y	0.01	0.01	-
Mauritius	0.01	Y	0.01	0.01	-
Mexico	0.88	Y	0.88	0.98	0.99
Micronesia (Federated States of)	0.01	Y	0.01	0.01	-
Monaco	0.01	Y	0.01	0.01	-
Mongolia	0.01	Y	0.01	0.01	-
Morocco	0.03	N	-	-	-
Mozambique	0.01	N	-	-	-
Myanmar	0.01	N	-	-	-
Namibia	0.01	N	-	-	-
Nauru	0.01	Y	0.01	0.01	-
Nepal	0.01	Y	0.01	0.01	-
Netherlands	1.50	Y	1.50	1.68	1.68
New Zealand	0.24	Y	0.24	0.27	0.27
Nicaragua	0.01	N	-	-	-
Niger	0.01	N	-	-	-
Nigeria	0.20	N	-	-	-
Norway	0.55	Y	0.55	0.61	0.62
Oman	0.03	N	-	-	-

ILLUSTRATIVE SCALES OF ASSESSED CONTRIBUTIONS TO UNFCCC BUDGET (continued)

Country	A: UN scale	B: Parties	C: Scale for Parties	D: Adjusted < 25	E: 0.015<X<25
Pakistan	0.06	Y	0.06	0.07	0.07
Panama	0.02	N	-	-	-
Papua New Guinea	0.01	Y	0.01	0.01	-
Paraguay	0.02	Y	0.02	0.02	0.02
Peru	0.06	Y	0.06	0.07	0.07
Philippines	0.07	N	-	-	-
Poland	0.47	Y	0.47	0.52	0.53
Portugal	0.20	Y	0.20	0.22	0.22
Qatar	0.05	N	-	-	-
Republic of Korea	0.69	Y	0.69	0.77	0.77
Republic of Moldova	0.15	N	-	-	-
Romania	0.17	Y	0.17	0.19	0.19
Russian Federation	6.71	(Y)	6.71	7.49	7.54
Rwanda	0.01	N	-	-	-
Saint Kitts and Nevis	0.01	Y	0.01	0.01	-
Saint Lucia	0.01	Y	0.01	0.01	-
Saint Vincent and the Grenadines	0.01	N	-	-	-
Samoa	0.01	N	-	-	-
San Marino	0.01	N	-	-	-
Sao Tome and Principe	0.01	N	-	-	-
Saudi Arabia	0.96	(Y)	0.96	1.07	1.08
Senegal	0.01	N	-	-	-
Seychelles	0.01	Y	0.01	0.01	-
Sierra Leone	0.01	N	-	-	-
Singapore	0.12	N	-	-	-
Slovakia	0.13	N	-	-	-
Slovenia	0.09	N	-	-	-
Solomon Islands	0.01	N	-	-	-
Somalia	0.01	N	-	-	-
South Africa	0.41	N	-	-	-
Spain	1.98	Y	1.98	2.21	2.22
Sri Lanka	0.01	Y	0.01	0.01	-
Sudan	0.01	Y	0.01	0.01	-
Suriname	0.01	N	-	-	-
Swaziland	0.01	N	-	-	-
Sweden	1.11	Y	1.11	1.24	1.25
Switzerland	1.16	Y	1.16	1.30	1.30
Syrian Arab Republic	0.04	N	-	-	-
Tajikistan	0.05	N	-	-	-
Thailand	0.11	N	-	-	-
The Former Yugoslav Republic of Macedonia	0.02	N	-	-	-
Togo	0.01	N	-	-	-
Tonga	0.01	N	-	-	-

ILLUSTRATIVE SCALES OF ASSESSED CONTRIBUTIONS TO UNFCCC BUDGET (continued)

Country	A: UN scale	B: Parties	C: Scale for Parties	D: Adjusted < 25	E: 0.015<X<25
Trinidad and Tobago	0.05	Y	0.05	0.06	0.06
Tunisia	0.03	Y	0.03	0.03	0.03
Turkey	0.27	N	-	-	-
Turkmenistan	0.06	N	-	-	-
Tuvalu	0.01	Y	0.01	0.01	-
Uganda	0.01	Y	0.01	0.01	-
Ukraine	1.87	N	-	-	-
United Arab Emirates	0.21	N	-	-	-
United Kingdom	5.02	Y	5.02	5.61	5.64
United Republic of Tanzania	0.01	N	-	-	-
United States of America	25.00	Y	25.00	25.00	25.00
Uruguay	0.04	N	-	-	-
Uzbekistan	0.26	Y	0.26	0.29	0.29
Vanuatu	0.01	Y	0.01	0.01	-
Venezuela	0.49	N	-	-	-
Viet Nam	0.01	N	-	-	-
Yemen	0.01	N	-	-	-
Yugoslavia	0.14	N	-	-	-
Zaire	0.01	N	-	-	-
Zambia	0.01	Y	0.01	0.01	-
Zimbabwe	0.01	Y	0.01	0.01	-
TOTAL	101.28	86	92.15	100.00	100.00

A: UN scale of assessments for 1994.

B: Parties to the Convention as of 29 July 1994 plus four significant contributors on the UN scale (Belgium, Greece, Russian Federation and Saudi Arabia) that have indicated their intention to become Parties. Not including EEC; assessments for individual EEC member States are shown separately.

C: UN scale of assessments for the Parties to the Convention.

D: Adjusts the UN scale of the Parties to a total of 100%, assuming that no single Party contributes more than 25% [Formula = ((column A)*75)) / ((total column A) -25)].

E: Recalculated scale, assuming that no single Party contributes less than 0.015% or more than 25% (Formula = ((column A)*75)) / ((total column A) - 25 - n(0.01))].

UNITED
NATIONS

A

General Assembly

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15 August 1994

ENGLISH ONLY

INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE
Tenth session
Geneva, 22 August - 2 September 1994
Item 6 (a) of the provisional agenda

INSTITUTIONAL MATTERS

DESIGNATION OF A PERMANENT SECRETARIAT AND ARRANGEMENTS FOR ITS FUNCTIONING

Report by the Executive Secretary

Addendum

CONSULTATIONS WITH THE UNITED NATIONS DEVELOPMENT PROGRAMME AND THE UNITED NATIONS ENVIRONMENT PROGRAMME

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GE.94-63736

1. Extract from letter dated 7 April 1994 from the Executive Secretary to the Administrator of UNDP and the Executive Director of UNEP

I am writing to you regarding future institutional arrangements for the permanent secretariat of the United Nations Framework Convention on Climate Change, which has recently entered into force.

Article 8.3 of the Convention provides that "the Conference of the Parties, at its first session, shall designate a permanent secretariat and make arrangements for its functioning." The first session of the Conference of the Parties (COP 1) is scheduled to be held from 28 March to 7 April 1995.

The Intergovernmental Negotiating Committee for the Framework Convention on Climate Change took up this matter at its ninth session, held in Geneva from 7 to 18 February 1994, with a view to making recommendations thereon to COP 1. The Committee's deliberations were based on a note by the interim secretariat (A/AC.237/53), on which you were good enough to provide comments at the drafting stage. The Committee reviewed the institutional options outlined in that note and decided to examine them further at its tenth session (Geneva, 22 August to 2 September 1994). It requested additional information from the interim secretariat to support this examination. This new report is to focus on the possibility of negotiating an arrangement to place the permanent secretariat, at least initially, within a host organization. In this context, the interim secretariat is to explore possible arrangements with the United Nations Secretariat, the United Nations Environment Programme and the United Nations Development Programme, including relevant financial, administrative and staffing provisions.

I am pleased to enclose a copy of document A/AC.237/53 and an advance copy of the relevant section of the report of the Committee on its ninth session (A/AC.237/55, paras. 113-121).

I would be most grateful for the cooperation of [UNDP] [UNEP] in providing to this secretariat information that could be used to prepare the report to the tenth session of the Committee. While the range of issues that the report may address is set out in the enclosed documents, we have developed and are also enclosing a list of points to which you may wish to give particular consideration in replying to this letter. The list is not exhaustive and any views or suggestions you may have on other aspects of arrangements for the permanent secretariat of the Convention would be greatly appreciated.

We fully understand that definitive replies to some of the questions raised may need to be endorsed by the governing body of your organization and that your views at this stage may have to be considered as tentative. We hope, nevertheless, that you will find it possible to comment as fully as possible on the points raised.

.....

Attachment

INDIANA UNIVERSITY
OCT 27 1994
GOVERNMENT PUBLICATIONS

List of items to be considered for the report on arrangements for the permanent secretariat of the United Nations Framework Convention on Climate Change:

A. Substantive linkages (ref. A/AC.237/53, paras. 12-26)

1. Taking account of the preliminary discussion on document A/AC.237/53, please comment on the substantive linkages between the implementation of the Convention and the work programme of {UNDP} {UNEP}. Please identify the substantive benefits to be obtained by {UNDP} {UNEP} and the Conference of the Parties if {UNDP} {UNEP} were to host the secretariat of the Convention.

B. Organizational and administrative arrangements
(ref. A/AC.237/53, paras. 27-41 and para. 114 of INC IX report)

2. The Convention with its organs will constitute a new international entity, with its own legal personality and intergovernmental autonomy. If {UNDP} {UNEP} were to host the Convention secretariat, which organizational arrangements would in your view be the most appropriate in these circumstances? What form of agreement or understanding would need to be entered into between the COP and {UNDP} {UNEP}?

3. Would the autonomy of the COP or any other factor (for example, administrative effectiveness) tend to favour certain distinct organizational or administrative arrangements for the Convention secretariat? Examples of such arrangements could be:

a) A clearly identifiable status for the Convention secretariat within the organizational structure of {UNDP} {UNEP};

b) Financial procedures (for example, relating to assessments, receipt and administration of trust funds) which would be geared to the autonomous nature of the COP and its operating requirements.

c) Personnel procedures, including recruitment in general and appointment of senior staff, similarly geared to the characteristics of the COP;

4. The Parties to a Convention are normally responsible for meeting its operating costs in full. Nevertheless, it may be possible for the COP to negotiate an arrangement for sharing those costs between the host organization and the Parties to the Convention.

a) Would such a cost-sharing arrangement be feasible in principle for {UNDP} {UNEP}?

b) Which categories of costs (and shares thereof) could be absorbed by {UNDP} {UNEP} (eg., general administration, conference services, staff costs)?

5. Please describe relevant procedures in the practice of {UNDP}/{UNEP} with respect to the administrative and financial arrangements for hosting the secretariats of other conventions or legally different entities.

C. Physical location
(ref. A/AC.237/53, paras. 42-45, and paras. 115-121 of INC IX report)

6. Bearing in mind the deliberations of the INC/FCCC on the physical location of the Convention secretariat, which will be pursued in the light of its further review of possible institutional arrangements, please advise:

a) Would the location of the Convention secretariat affect the effective functioning of substantive and administrative linkages between the Convention secretariat and {UNDP} {UNEP}?

b) If so, which locations(s) would in your view be better conducive to such effectiveness?

2. Extract from letter dated 13 May 1994 from the Administrator of UNDP to the Executive Secretary

Thank you for your letter of 7 April 1994 requesting information for your report to the 10th session of the INC. I have been discussing the issue of the FCCC permanent Secretariat with my staff including the feasibility of a role for UNDP. We have generated some general views which I am very pleased to share with you at this point in time.

Before responding to your specific questions, let me restate our commitment to the goals of the FCCC which are embedded in the broader mandate of promoting sustainable human development. Irrespective of the administrative arrangements for the permanent Secretariat I am prepared to make the services of UNDP available to the FCCC and its bodies.

As I have also mentioned many times before, I am strongly committed to coordinated responses to initiatives such as the FCCC from the UN agencies. In the case of your permanent Secretariat at first glance, the idea of a collaborative arrangement between UNDP and UNEP is particularly appealing. With this in mind let me now respond to the more specific questions raised in your letter.

Substantive Linkages

As mentioned in my opening comment, the goals of the FCCC are an integral element of the broad development agenda and given our role in promoting development, UNDP constitutes an outstanding opportunity to help catalyse the implementation of the Convention. ....

Organizational and Administration Arrangements

As I am sure your are aware, UNDP has the flexibility and depth to support the permanent Secretariat in many different ways, including collaborative mechanisms where we would share the responsibilities with other entities. Formal agreements between the Conference of the Parties (COP) and UNDP would be a routine matter which I have direct authority to enter into on UNDP's behalf, provided such an agreement is within the broader rules and regulations of the organization. Such an agreement could be endorsed by UNDP's Executive Board which is already formally committed to help implement Agenda 21, including providing support to the FCCC.

I totally agree that the Secretariat would need a clearly identifiable status of its own and this would be a specific condition of any agreement entered into by UNDP and the COP. Financial procedures would be dependent on the source of funds, fiscal management requirements and conditions of disbursement. We could provide specific services through a simple contractual agreement or provide more comprehensive support through the Trust Fund mechanism.

If requested, UNDP's Division of Personnel (DOP) could be drawn on in support of the Secretariat. Whenever recruiting staff for a unit of UNDP, it is the policy of DOP to fully involve the unit in the selection process. DOP has introduced a number of innovations which increase its flexibility. For example we have new procedures for "Activities of Limited Duration" which facilitate contracting individuals for specified periods without tying the organization nor the person to longer-term commitments.

We would expect that the operating costs of the Secretariat would be funded by the Convention. Nevertheless I personally would encourage a substantive contribution from UNDP, perhaps in the form of staff secondments and/or coordination services, in particular by our Country Offices. Certain costs related to implementation of the Convention in developing countries could, in some instances, be borne by the GEF; the involvement of both UNDP and UNEP in the GEF would facilitate direct involvement of your secretariat in aspects of the GEF Work Programme.

It is perhaps somewhat premature to specify detailed administrative and financial arrangements at this stage. Suffice to say that in more than 40 years of service to the international community we have many precedents to draw on and, most importantly, we have the flexibility to tailor an agreement to meet the permanent Secretariat's specific needs.

Physical Location

We have no restrictions with regard to physical location.

.....

3. Letter dated 11 July 1994 from the Executive Director of UNEP to the Executive Secretary

Thank you very much for your letter dated 7 April 1994 regarding the host organization of the Climate Convention Secretariat. Your visit to Nairobi in early May was indeed helpful to both of us in furthering our mutual understanding and identification of important issues involved.

First of all, let me state that this is naturally a question for the Governments to decide, and should be examined so as to ensure maximum benefits for the implementation of the Convention. Nevertheless, it is my sincere hope that this letter could be some use for the INC/UNFCCC Secretariat in giving to the Governments at INC, the full picture of possible implications involved in the decisions on the host organization and the location of the Convention Secretariat.

I would, however, like to suggest some fundamental points of principle, which should be taken into account, while paying due attention to the specific needs of UNFCCC.

Firstly, the maximum synergy must be secured between the host organization's programme and activities of the Convention. In this sense, the actions to be taken to achieve the objectives of the Convention and the activities of the host organization should be mutually complementary, supportive and beneficial. I believe that this is the case for all the "UNEP-administered" conventions.

Secondly, while the host organization's activities should be supportive of the Convention, the organization should also be experienced in administration of the many activities necessary for achieving the objectives of the Convention. At the same time, the host organization should not be overloaded in terms of administration and resource availability to its own programmes.

Thirdly, the hosting of the Secretariat should ensure the maximum efficiency in the implementation of the Convention. The host organization's comparative strengths should be fully taken into account. In this regard, I cou'd summarize the strengths of UNEP, as follows:

a. Global and regional mandate for environmental coordination, established by UNGA resolutions and Agenda 21

Agenda 21, para 38.22 states, (among the priority areas on which UNEP should concentrate;) "(h) further development of international environmental law, in particular conventions and guidelines, promotion of its implementation, and coordinating functions arising from an increasing number of international legal agreements, inter alia, the functioning of the secretariats of the Conventions, taking into account the need for the most efficient use of resources, including possible co-location of secretariats established in the future;". With a view of pursuing this responsibility, I convened in March the first Coordination Meeting of the

Environmental Conventions' Secretariats, with the five Secretariats of the Conventions administered by UNEP. A number of Secretariats of the other Conventions, including the INC/UNFCCC Secretariat, participated therein. This meeting was not only a concrete step in the implementation of Agenda 21, but also identified a list of substantive potential benefits, which will accrue from enhanced coordination and close collaboration among Convention Secretariats. I would be pleased to provide the report of this meeting to INC, if you deem it helpful.

UNEP's mandate to facilitate the further development of international environmental law would also be of benefit to the Convention. For example, UNEP is presently undertaking a comparative study of effective implementation mechanisms on the basis of practical experience and information provided by the convention secretariats administered by UNEP with a view to enhance implementation mechanisms of international environmental law.

b. Accumulated experience in development and negotiation of environmental conventions, and substantive contribution to the implementation of conventions

Needless to say, all the recent international environmental conventions have emanated from the international recognition and awareness-building over emerging environmental problems, which were identified largely through the programme activities of UNEP, in particular through its mandated tasks of generation and dissemination of environmental information and data, including those on the state of the environment and broad environmental sciences. In the implementation phase also, UNEP's contribution has been instrumental, as regards (i) global environmental needs and complementarity between national and global actions; (ii) information exchange and technology transfer for developing countries and countries in transition; (iii) its technical assistance for capacity building in environmental law and other substantive environmental scientific programmes, in particular through UNEP's strengthened regional presence and activities, and UNEP's partnership with the other organizations, in particular UNDP and the World Bank in GEF and Montreal Protocol Fund.

As you are aware, environmental questions are global, complex and cross-sectoral in nature, and must be dealt with in a comprehensive and holistic manner. UNEP is well-placed to promote the implementation of the objectives of the Climate Change Convention, using a wealth of in-house resources and expertise in overall environmental assessment and management.

Fourthly, I would identify several specific contributions by UNEP to the activities of UNFCCC. The following current activities undertaken by UNEP will continue to provide substantive support to the implementation of UNFCCC.

a. Under UNEP's atmosphere sub-programme, activities are carried out which scientifically underpin the further development and the implementation of UNFCCC. This applies particularly to projects implemented under the WCIRP and UNEP's role as parent organization of the IPCC.

b. UNEP/WMO Information Unit on Climate Change (IUCC) has already established a close working relationship with the Interim Secretariat for UNFCCC in the field of public information.

c. In a joint project, CLIMEX, UNEP and the Interim Secretariat for UNFCCC are developing an information exchange system on climate-related country activities, availability of funds and expertise. UNEP is providing financial resources, staff time and information available to, and collected by UNEP.

d. UNEP also provides direct support to the UNFCCC through its involvement in the development of methods, which can be used by the Parties in preparing their national communication of information related to the implementation of the Convention. In a GEF-financed country study programme, UNEP is testing the IPCC/OECD methodology for inventories of sources and sinks of greenhouse gases. Other country case study programmes submitted to GEF for financing are designed to test and further develop methods for assessing impacts and adaptation under climate change, and to develop least cost emission reduction strategies.

e. The most recent area of cooperation as discussed between the Interim Secretariat for the UNFCCC and the Climate Unit is the establishment and operation of regional and national Networks to assist countries in identifying and implementing strategies to adapt to, or mitigate climate change. The Networks would be operated within the framework of a global capacity building programme currently being developed by the Interim Secretariat and UNDP in cooperation with UNEP and UNITAR.

Fifthly, I would refer to the potential benefits, which might result if UNEP assumes the responsibility of hosting the UNFCCC Secretariat. They include:

a. Economization through co-location of Secretariats

Pending the decision by the Conference of the Parties to UNFCCC, there would be an obvious economization of, in particular the administration costs - overhead and direct cost through common procurement unit, personnel, security, telephone communication, electronic data processing, conference facility, etc. - by the eventual co-location of convention Secretariats.

b. Harmonized actions, interpretation, approaches, conceptualization and procedures, and sharing of information and experiences, with the five "UNEP-administered conventions".

I have already referred to the outcome of the first Coordination Meeting of the Environmental Conventions' Secretariats held in March, with the five Secretariats of the global Conventions administered by UNEP. In addition, UNEP successfully administers ten regional seas conventions. If UNEP is to host the Secretariat of UNFCCC, I would expect a larger benefit, both from and to the family of environmental conventions, which would enhance the overall contribution from these conventions to the implementation of Agenda 21.

Sixthly, I would like to address the question of co-hosting. As you are aware, Mr. Gus Speth and myself agreed and issued a joint statement of UNEP and UNDP in the recent CSD meeting. Let me quote the relevant section, in which the commitment of the two organizations was expressly stated. I am indeed willing to consider the detailed collaborative modalities between the two organizations, which might encompass the possibility of co-hosting UNFCCC Secretariat, which embodies the concept of horizontal demarcation of supporting responsibilities.

" **Support for the Rio and Post-Rio Conventions**

The conventions signed at Rio are now coming into force and the negotiations on the convention on desertification initiated at the Summit are proceeding well. We have agreed that our two organizations will cooperate fully in providing support to the climate change and the eventual desertification conventions".

As far as a number of specific questions raised in your letter and its attachment, let me undertake to respond to several major ones. Obviously, the other questions must await the decisions of the INC/UNFCCC and our further detailed discussions.

As regards the organizational arrangements between COP and UNEP, UNEP would need to obtain a relevant mandate from its governing body, the Governing Council of UNEP. The Governing Council could endorse, on a post-facto basis, the decision of the Executive Director to accept the request of COP for the provision of the function of the Secretariat. This normally presumes, unless otherwise decided upon by the Council, that the activities under the Convention, as mandated by COP, would be financed by the Parties and thus would not have any express implications on the use of the Environment Fund, with which the activities of UNEP are financed in accordance with the Fund allocations approved by the Council.

As regards the administrative procedures, regulations and practices, including those on recruitment of staff members of the Secretariat, the UN rules, regulations and practices shall apply. In case that a separate trust fund is created to finance the

activities under the Convention, the General Procedures Governing the Operations of the Fund of the United Nations Environment Programme, which has been approved by the Governing Council, also applies *mutatis mutandis* to the trust fund.

Let me conclude this letter by stating that UNEP has been supporting its Convention Secretariats, within its available resources, both in terms of substance - through relevant research and provision of information and advice on priorities of issues, and in terms of administrative support. This policy will continue, while ensuring the Secretariats' ability to act in line with the policies given by the Parties, without undue bureaucratic hassles and inflexible procedures.

4. Joint Statement by James Gustave Speth, Administrator, United Nations Development Programme and Elizabeth Dowdeswell, Executive Director, United Nations Environment Programme
(Circulated during the second session of the Commission on Sustainable Development)

Almost two years after the achievements of UNCED, we are faced with a situation where little progress has been achieved in the implementation of the post-Rio agenda. Despite the commitments agreed to in Rio, the donor community has been unwilling to make new and additional resources available to fulfil their part of the Rio compact. And resources being made available to the United Nations system for its sustainable development activities have declined as they are increasingly diverted to address the emergency needs and humanitarian crises that confront us. In short, the international system is forced to react in the short term to crisis situations while too little attention is paid to the problems of poverty and resource degradation which the Rio summit was designed to address.

In response to the challenge posed, we hereby propose that our two organizations work even more closely together by combining our relative strengths in support of Agenda 21.

Agenda 21 recognized the vital roles that both organizations have to play in the follow-up to Rio. It reaffirmed these roles and it called upon governments to strengthen them. UNEP retains primary responsibility within the UN system for policy guidance and coordination in environmental matters. UNEP's role is largely catalytic and policy-oriented. It is the repository for environmental expertise in the UN system. It is not, and is not mandated to be, an implementing agency. Its newly strengthened regional offices are its prime contacts with the field.

On the other hand, one of UNDP's main strengths is its operational capacity, with over 130 country offices helping governments to implement sustainable human development at the national level. These offices are now being strengthened by the addition of 41 specially trained environment and sustainable development officers. These officers add to the existing focal points, national programme officers and other posts which many country offices have created in an effort to strengthen capacities in these areas. UNDP's country operations are complemented by a series of headquarters-based programmes in support of sustainable human development.

We believe that sustainable development requires a combination of these strengths. It implies the integration of environmental concerns into all aspects of economic and social decision-making. It requires strong programmes to maintain and restore the earth's natural capital of soils, water and air. It requires initiatives which increase the efficiency of raw material and energy use in the world's economies. It requires measures to alleviate poverty in the developing world and to change consumption patterns in the North. It requires new measurements of material and human well being.

This new agenda requires a much closer working relationship between UNDP and UNEP, particularly in three areas: the development of national frameworks for sustainable development, assistance to governments in the servicing and implementation of the Rio and post-Rio conventions, and mobilizing UNEP's country-based strengths for the dissemination of environmental information.

New National Frameworks for Sustainable Development

Nowhere is this need for joint action more apparent than at the level of national planning. Requirements set by donors and international agreements for National Conservation Strategies, Agenda 21 implementation plans, biodiversity, desertification and forestry action plans and NEAPs are stretching the human resources of many countries to the limit and jeopardizing the Rio follow-up at the country level as a result of this fragmented sectoral approach. Furthermore, these plans and strategies are often prepared in isolation from national economic plans and structural adjustment agreements, making the integration of environment and economics extremely difficult.

We are committed to helping countries to develop their plans within coherent national frameworks for sustainable development and we invite the World Bank and IUCN to join with us in developing this approach.

The Country Strategy Note could provide one opportunity for a rational planning and strategy framework for the activities of the UN system at the national level which could be harnessed to the requirements of sustainable development.

Support for the Rio and Post-Rio Conventions

The conventions signed at Rio are now coming into force and the negotiations on the convention on desertification initiated at the Summit are proceeding well. We have agreed that our two organizations will cooperate fully in providing support to the climate change and the eventual desertification conventions.

As Mr. Speth stated in his speech to the third INC-D session: "Our two organizations are currently closely studying how the UNDP/UNEP/Joint Venture (UNSO) could be reconfigured to take into account, and respond effectively to, the new dynamics of desertification that will emerge from the current INC-D process. This, if I may add, is in line with the special mandate assigned to UNDP and UNEP by chapter 38 of Agenda 21."

Making Environmental Information More Accessible

Since its creation, UNEP has devoted considerable resources and developed considerable expertise in monitoring and data collection through GRID, GEMS and the system-wide Earthwatch and other specific programme areas. On the other hand, UNDP is developing its

Sustainable Development Network and deploying resources for capacity building to facilitate the effective dissemination of information on sustainable development. The complementary roles of the organizations present an excellent opportunity for collaboration.

We must now make this information more accessible to decision-makers at the national and local levels. UNEP has initiated consultations with information users. We have also begun a series of pilot studies designed to make UNEP's information bases more accessible to network members through UNDP country offices. If these pilots are successful, they can be extended to the rest of the UNDP system.

None of this will work without follow-up mechanisms within both organizations. Each of us has designated a focal point who will be held accountable for the success of these cooperative ventures. And we will create opportunities for our staffs to work more closely together through possible staff exchanges, the briefing of UNDP's new environment and sustainable development officers by UNEP and their possible participation in the UNEP Environmental Management Seminars.

We begin modestly, conscious of the failure of many ambitious schemes for interagency cooperation in the past. But our ambitions are not modest. Eventually, we hope for joint programmes in support of sustainable development in a wide range of areas from trade and environment to environmental economics, energy and forestry.

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Item 7 of the provisional agenda

REVIEW OF THE ACTIVITIES OF THE INTERIM SECRETARIAT, INCLUDING REVIEW OF EXTRABUDGETARY FUNDS

Note by the Executive Secretary

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INDIANA UNIVERSITY

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* For technical reasons, Annexes II - V are issued in English only.

I. INTRODUCTION

A. Background and scope of the note

1. At the ninth session of the Committee, the Executive Secretary presented a note (A/AC.237/54) containing information on the activities of the interim secretariat, administrative and budgetary matters and the need for contributions to the two extrabudgetary funds established by General Assembly resolution 45/212, paragraphs 10 and 20, namely, the special voluntary fund for participation and the trust fund for the negotiating process. (The latter fund is intended to finance secretariat activities.) The Committee took note of the information provided by the interim secretariat on its activities and on the state of extrabudgetary funds. It expressed appreciation for the efforts of contributors to the two extrabudgetary funds, for the work of the interim secretariat and for the transparency of its report.

2. The purpose of the present note is to bring up to date the information available on these subjects.

3. The attention of the Committee is drawn to the note by the interim secretariat entitled "Climate Convention Cooperation Programme" (A/AC.237/75) which provides information on secretariat activities relating to technical and financial support for the implementation of the Convention by developing countries, as well as by countries with economies in transition. Information on those activities is not included in the present note.

B. Possible action by the Committee

4. The Committee may wish to:

(a) take note of the information presented herein and comment on the adequacy of its presentation;

(b) take note with appreciation of the extrabudgetary support provided for participation in the Committee's work and for the activities of the interim secretariat, including - in the latter case - the provision of rent-free premises;

(c) provide advice to the interim secretariat in programming and funding its future work; and

(d) support the efforts of contributors and the secretariat in mobilizing extrabudgetary funds on an increased scale, commensurate with growing needs.

II. CURRENT ACTIVITIES OF THE INTERIM SECRETARIAT

5. The activities of the interim secretariat continue to evolve on the lines indicated in the previous note on this subject. The main thrust of its work continues to be its response to the needs of the Committee for documentation and for the organization of its sessions. These needs continue to be substantial. The interim secretariat has, as in the past, had to anticipate the demands of the Committee to a certain extent so as to ensure that adequate staff and resources are available in time to meet such demands. Any further guidance which the Committee may be able to give to the secretariat for the programming and funding of its future work, in particular for the period after the first session of the Conference of the Parties (COP 1), would be valuable and would help in mobilizing extrabudgetary funds for 1995 (see paras. 26 and 27 below). Such guidance would also contribute to the shaping of the permanent secretariat, on which subject a separate note is before the Committee under item 6 of its provisional agenda (A/AC.237/60 and Add.1).

6. Substantive collaboration with secretariats of other international bodies continues to be given importance. These efforts are bearing fruit in a number of areas, including work on the first review of information communicated by Annex I Parties (see A/AC.237/63) and activities relating to technical cooperation (see A/AC.237/75).

7. The Information Unit on Climate Change (IUCC) of the United Nations Environment Programme (UNEP) and the World Meteorological Organization (WMO) continues to be a valued partner of the interim secretariat in promoting public awareness of the Convention, as well as in developing the secretariat information system. Funding to the IUCC has enabled it to continue publishing the United Nations Climate Change Bulletin in partnership with the interim secretariat and with the Intergovernmental Panel on Climate Change (IPCC). Three issues of the Bulletin are planned for 1994, of which one has been published, another will be available in time for the tenth session of the Committee and a third is due in October. The current print run of the Bulletin is 12,000 copies in English, 3,500 in French and 4,500 in Spanish.

8. The future of the IUCC is under review by UNEP; so far, this has not affected its ability to work closely with the interim secretariat. It is thus expected that collaboration with the IUCC will continue at least until the end of 1995. Accordingly, no provision is made for 1995 for funding activities by the interim secretariat relating to public awareness. The situation would have to be reviewed if, for any reason, the services of the IUCC were to cease to be available as at present.

9. The interim secretariat has been investing time and money in the development of an information system as a support service to its activities (for example, the above-mentioned review of information and technical cooperation activities), as well as to Governments and other participants in the Convention process. In effect, efficient gathering, processing and dissemination of data and information, as well as internal and external communications, are increasingly important factors in the work of the interim secretariat. Annex I to the present note

provides a brief description of the secretariat's information system. Delegations requiring more detailed information on the system are invited to request this from the interim secretariat.

III. ADMINISTRATIVE MATTERS

A. Premises

10. The move of the interim secretariat to its new premises at the Geneva Executive Center (GEC) was undertaken soon after the ninth session of the Committee. The secretariat has settled down well in its new quarters. The space available to the interim secretariat is free of rent, by decision of the Swiss authorities, who have also offered a contribution in kind, to the value of approximately Sw. F. 215,750 (equivalent to some $US160,000), to the costs of some remaining work on the premises (partitioning and furnishing). The interim secretariat is most appreciative of this support, which is additional to the contributions of Switzerland to the trust fund for the negotiating process. The present area available (approximately 1700 square metres of offices and service areas) is more than adequate for the needs of the interim secretariat in 1994. Requirements for 1995 are under review, in the light of the probable evolution of the work programme of the interim secretariat.

11. The physical address, postal address, telephone and facsimile numbers and e-mail address of the interim secretariat are as follows:

Physical address

Interim secretariat
United Nations Framework Convention on Climate Change
Geneva Executive Center
11/13 chemin des Anémones
CH-1219 Chatêlaine
Geneva, Switzerland

Postal address

Climate change secretariat (UNFCCC)
Palais des Nations
CH-1211 Geneva 10
Switzerland

tel: (41.22)979.91.11 1/
fax: (41.22)979.90.34
e-mail: secretariat.unfccc@unep.ch 1/

B. Administration

12. Administrative support is an important element in the efficient functioning of the interim secretariat, the more so as its activities expand. Personnel administration continues to be a time-consuming element of this support. The interim character of the secretariat and the lack of predictability in extrabudgetary funding both give rise to particular problems in this area; these are being dealt with in collaboration with the responsible service of the United Nations Office at Geneva (UNOG). New procedures required by the United Nations administrative authorities regarding the management of the special voluntary fund for participation have increased the administrative workload (see paras. 30-31 below).

13. Administrative support continues to be provided by an administrative unit of the Department for Policy Coordination and Sustainable Development (DPCSD) based in the Geneva Executive Center. This unit consists of one professional officer and two general service staff. The unit, which functions within the framework of the Department located at United Nations Headquarters, New York, also serves the interim secretariat of the Convention to Combat Desertification. Administrative arrangements to establish the staff of this unit and recruit its head have progressed since the ninth session of the Committee; however, this process is still not complete.

14. It is expected that demands upon the administrative unit in 1995 will exceed its capacity, notably in relation to the need to provide an adequate system for financial monitoring. This need will be addressed in consultation with DPCSD and with central administrative services at Headquarters.

C. Current staffing

15. Arrangements for staffing from the United Nations programme budget for 1994-1995, for the assignment of a Principal Officer (D.1) from the DPCSD section of that budget and for the secondment of staff by WMO and UNEP continue unchanged.

16. Starting in September 1994, Norway will provide bilateral support for a Programme Officer (L.4) for two years (see annex III, item B.2). This brings to two the number of bilateral staff support arrangements in effect, the other being provided by the Netherlands (annex III, item B). The interim secretariat would be interested in hearing from other Governments that might wish to provide similar support, particularly if such support were available in a manner that would permit the engagement of staff from developing countries.

17. The following table shows the current staffing situation of the interim secretariat. Unless otherwise stated, it shows staff members in post as at 1 July 1994. It does not show consultants, interns (engaged at little or no cost) or temporary staff hired to assist the secretariat during sessions of the Committee.

	Programme budget provision to 31.12.1995	Other sources		Total
D.2	1	-		1
D.1/L.6	1	3	DPCSD, WMO, Netherlands (to 30.06.96)	4
P.5/L.5	-	2	Trust fund	2
P.4/L.4	1	3	UNEP (to 30.06.95), Norway (to 14.09.96)[a], Trust fund[b]	4
P.3/L.3	1	4	Trust fund	5
P.2/L.2	1	1	Trust fund	2
Total D/P	5	13		18
GS	6	8	WMO - 2; trust fund - 6[c]	14
TOTAL	11	21		32

18. Contractual arrangements relating to the positions covered by the trust fund for the negotiating process continue to be of a short-term nature owing to the uncertainty of funding. The United Nations financial regulations and rules preclude the obligation of extrabudgetary funds (for example, through contracts of employment) until funds have been received. Currently, the 13 staff members funded from extrabudgetary sources have contracts expiring on 30 September 1994. The extension of these contracts will depend on the timely receipt of contributions that are in the pipeline or pledged.

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[a] As of 15 September 1994.

[b] As of 16 August 1994.

[c] One GS as of 22 August 1994.

19. The demands upon the interim secretariat are growing and also evolving. At least in one instance, that of work on the first review of communications by Annex I Parties, the secretariat is about to move from writing papers about a process to actually contributing to that process and possibly coordinating it. This is a qualitative change. Initial resource needs to respond to this change have been provided for in the current financial plan (annex III, item B.2), which is consistent with the scenario described in document A/AC.237/63. A similar qualitative shift may come about with respect to work on the review of the adequacy of commitments in Article 4.2(a) and (b) and, eventually, on criteria for joint implementation and the report on implementation. This evolution needs to be taken into account in considering the financial estimates for 1995, referred to in the next section.

IV. EXTRABUDGETARY FUNDING REQUIREMENTS

A. Support for activities of the interim secretariat: trust fund for the negotiating process (General Assembly resolution 45/212, para. 20)

20. A statement of current contributions and pledges to the trust fund for the negotiating process is contained in annex II. It will be noted that this table has been simplified, in comparison with the corresponding table contained in previous reports to the Committee, by aggregating all contributions by each contributor to the end of 1993. A similar change has been made in the presentation of the table showing contributions to the special voluntary fund for participation (annex IV).

21. Annex III contains a revision of the financial estimates for 1994-1995 that were first presented to the Committee as annex I to document A/AC.237/54. This revision refines the cost estimates in the previous table, notably the estimates of staff costs. The revised table also attempts to give a better picture of the structure of secretariat activities, including those that are organized as distinct activities. It will be noted that, for the purpose of budgetary calculations, the costs arising from the information system are distributed among other secretariat activities (see annex III, item A.4.1 and note (b)). Another new feature is a tentative provision for work that might be needed from the middle of 1995 to respond to decisions taken by the COP at its first session (COP 1), e.g. support for a pilot phase of joint implementation, for the Subsidiary Body for Scientific and Technological Advice (SBSTA) and for possible new negotiations. This provision is made in section D, "Post COP 1 contingencies", which will have to be successively revised in the light of the conclusions of the tenth and eleventh sessions of the Committee and of COP 1.

22. It will be recalled from the discussion of extrabudgetary funding at the ninth session of the Committee that some contributing countries have earmarked their contributions to the trust fund for specific activities of the secretariat, namely, the communication and review process (CC:CRP) and the Climate Convention Information Exchange Programme (CC:INFO), formerly

known as Climex. This earmarking is indicated in annex III (items B.2 and C.2.1) and will be reflected in the near future in the financial monitoring system of the interim secretariat. This system will make it possible to provide adequate information on the use of earmarked contributions.

23. Two important points to note in the financial estimates for 1994-1995 are contained in the first footnote to annex III. These are that:

(a) the estimates are based on a standard exchange rate between the United States dollar and the Swiss franc: the possibility that actual costs will vary on account of exchange rate fluctuations over the period to the end of 1995 has to be kept in mind, but cannot be given a numerical value in advance;

(b) they are net figures; an estimate of gross funding requirements, including overhead charges (13 per cent) and operating reserve (15 per cent), is given in annex V.

24. Section A of annex V shows gross extrabudgetary funding requirements for secretariat activities of approximately US$2.8 million in 1994 and US$7.6 million in 1995. This is well in excess of previous levels of funding. It reflects the growth in the activities of the interim secretariat in response to the needs and the guidance of the Committee, including provisions made for the contribution of the interim secretariat to the review of communications by Annex I Parties (see annex III, item B.2). The 1995 estimates also reflect the development of the information system (item A.4.1), support for technical cooperation (item C.2), notably the CC:INFO programme, and provision for post-COP 1 contingencies (item D), as well as for strengthening the central coordination and monitoring capacity of the secretariat (item A.2). This latter capacity needs to be commensurate with the growing scope of secretariat activities.

25. The situation for the remainder of 1994 is that the amounts contributed and pledged to the trust fund, including the balance carried forward from 1993 and taking account of bilateral staff support, cover estimated requirements and should leave a balance to be carried over into 1995. The cash flow is being monitored closely and, at the time of writing, financial obligations from the trust fund (e.g. for salaries) are limited to the period to 30 September 1994.

26. The balance sought for the trust fund in 1995 is approximately US$7.0 million (of which some $1 million for operating reserve). The purpose of providing these estimates is to enable Governments to provide guidance on the programming and funding of the interim secretariat's work, to consider scaling up their contributions to the trust fund until the end of 1995 and to make provision for early payment of their first instalments.

27. It is hoped that sufficient additional contributions will be made by the end of 1994 to permit the present level of activities of the interim secretariat to continue at least until 30 June 1995. This will require approximately US$2.5 million (gross). Further contributions will be called for, in the light of the decisions to be taken by the Committee at its tenth and eleventh

session and by COP 1, to extend activities to the end of the mandate of the interim secretariat, i.e., to 31 December 1995, and add new activities, as needed.

B. Support for participation in the Committee: special voluntary fund (General Assembly resolution 45/212, para. 10)

28. A statement of current contributions and pledges to the special voluntary fund is contained in annex IV.

29. The manner in which this fund is being used was indicated to the Committee in the previous report on the activities of the interim secretariat presented to the ninth session (A/AC.237/54, paras. 39-41). The fund management practice of the secretariat, including its priorities, were noted by the Committee at that session (A/AC.237/55, para. 127).

30. Recently introduced procedures for the administration of this fund (referred to in paragraph 12 above) require the interim secretariat:

(a) to obtain approval from UNOG for any communication authorizing the use of this fund;

(b) to issue individual travel authorizations to nominated delegates, rather than authorizing UNDP offices to fund delegates designated directly to them by Ministries of Foreign Affairs;

(c) to limit advances of daily subsistence allowance (DSA) to funded delegates before their departure from their home countries, and to handle such payments on the arrival of delegates for a session.

31. These procedures bring greater rigour into the administration of the fund. They also increase paper work and staff costs, or rather shift those from individual UNDP country offices to the secretariat in Geneva. The second requirement in the above list introduces a new time factor in the response of the secretariat to requests for funding. The secretariat, together with the administrative support unit, has adapted to these new procedures, while seeking to obtain some flexibility therein, notably with respect to advance payment of DSA.

32. The state of contributions and pledges to the special voluntary fund is once again insufficient to enable the interim secretariat to offer funding to all 136 eligible countries. Consequently, the secretariat has again based its funding offer for the tenth session on the first two priority categories, namely: (a) eligible developing countries and countries with economies in transition that have deposited instruments of ratification or accession, or that provide officers to the Committee and its Working Groups; and (b) other least developed countries and eligible small island developing countries. In addition, two countries not in these categories (Lithuania and Vietnam) that are participating in the CC:TRAIN programme have been offered funding for

participation.

33. It will be noted from section B of annex V that the estimated gross funding requirement for participation in Convention bodies in 1995 is of the order of US$2.3 million. One important factor in this calculation is the expected duration (three weeks) of the eleventh session of the Committee. On the other hand, a factor tending to lower funding needs for 1995 is the assumption that, after COP 1, eligibility for funding for participation will be limited to Parties. Taking into account the balance expected at the end of 1994, after all pledged contributions are paid, the amount still sought for 1995 is approximately US$1.7 million (gross).

Notes

1/ All staff members have direct telephone numbers and e-mail addresses.

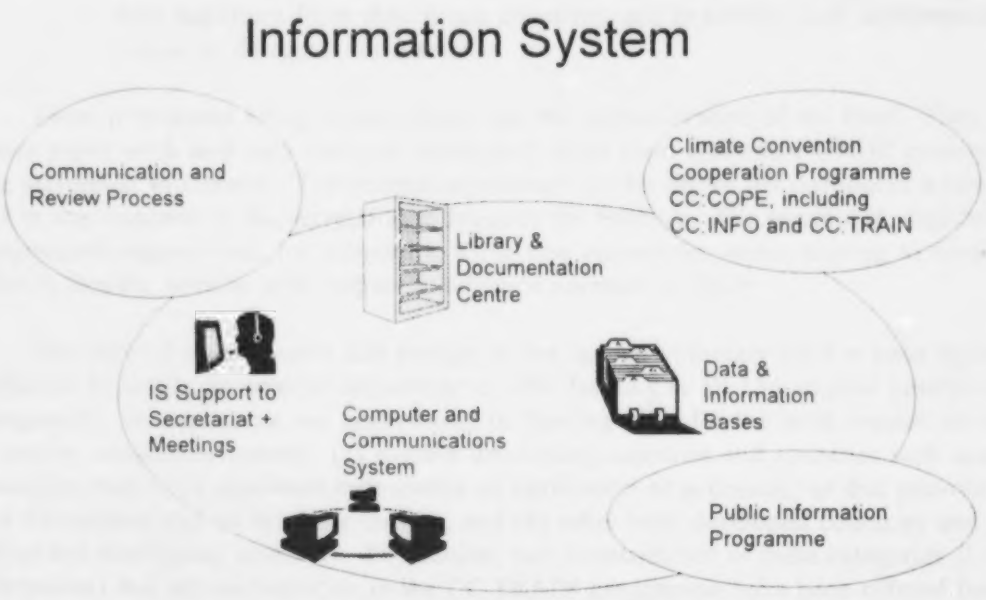
Annex I

DEVELOPMENT OF THE SECRETARIAT'S INFORMATION SYSTEM

1. The interim secretariat has developed an information system in order to provide suitable information support to Governments and other participants in the Convention process as well as to its own activities. The UNEP/WMO Information Unit on Climate Change (IUCC) is an active partner in this system. Some equipment costs are being shared with the interim secretariat of the Convention to Combat Desertification. Current activities are being undertaken as steps towards the long-term goal of creating a fully-fledged information network in support of the implementation of the Convention.

2. Some of the current information support is provided through targeted activities, while other activities improve the efficiency of the interim secretariat, ultimately leading to an improved service to Governments. Brief reports on initial activities in this area have been provided to the Committee in previous reviews of secretariat activities. This annex describes the latest stage in the development of the secretariat's information system, the services that it can already provide and those that are being planned. Delegations requiring more details about the system are invited to contact the interim secretariat for further information.

3. The system has been developed in a modular fashion, as shown in the figure below. Its modules include computer and communications facilities, data and information bases, and a


Information System
Communication and Review Process
Climate Convention Cooperation Programme CC:COPE, including CC:INFO and CC:TRAIN
Library & Documentation Centre
IS Support to Secretariat + Meetings
Computer and Communications System
Data & Information Bases
Public Information Programme

planned library and documentation centre. These modules are either self-contained activities, with specific objectives and target groups, or they serve substantive programmes that are now evolving in the interim secretariat, such as, in particular, the Climate Convention Cooperation Programme (CC:COPE), the first review of communications from Annex I Parties (communication and review process - CC:CRP) and the public information programme undertaken with the IUCC. The information system also provides support for general activities of the secretariat and will be accessible by Government delegations and other participants at sessions of the Committee and, later, of the Conference of the Parties (COP). Funding for the system has been obtained from the trust fund for the negotiating process.

A. Computer and communications system

4. The secretariat computer system has been set up and appropriate staff training provided. All staff have access to the required computing facilities. The existing system is able to provide an adequate base for most current secretariat activities. However, some system development during the rest of 1994 and 1995 will be needed to improve existing services, to accommodate incoming staff and consultants and to introduce new system applications.

5. While basic office automation is now satisfactory, the increasing information flows within, as well as to and from, the secretariat will need improved information system support to help staff become more efficient. The main efforts in this area will be to improve communication systems and to install workgroup systems that can assist in various administrative and substantive tasks.

6. The most recent addition has been an external electronic mail facility, with the help of the IUCC. It is now possible to reach members of the secretariat either through the shared directory service of the United Nations "cc:Mail" system or via the Internet. Delegations may wish to note that the new Internet e-mail address of the interim secretariat, is:

secretariat.unfccc@unep.ch

7. In addition, each member of staff can be reached directly, by replacing the word "secretariat" in the above address by the first initial and the family name of the person, for example:

cschlosser.unfccc@unep.ch

B. Other modules

8. Work on **data and information bases** has increased considerably, to comprise detailed information on organizations, activities and individual addresses, in addition to bibliographical references. The latter are available to the Committee in document A/AC.237/Misc.24/Add.2, as at previous sessions. The former are now used on a regular basis for registration of participants and for producing the directory of participants, as well as for various mailing and

communication purposes. These databases form the foundation of the climate convention information exchange programme (CC:INFO) (previously known as Climex) and a number of other applications. The size of the databases, as well as the services that can be provided, has grown. This trend will continue, especially with the arrival of the first national communications from Annex I Parties. Apart from increasing the content and improving the performance of existing databases, the key issue for the near future is the need to switch to a more sophisticated database system.

9. The **library and documentation centre** is envisaged as a physical space, available in the Geneva Executive Center, where documents, books, and other "information objects" could be collected, archived, and made available to users both physically and electronically. The interim secretariat has planned this module jointly with the IUCC. The project is now ready to be implemented, as funding becomes available for furnishing, equipment and staff costs.

10. The **public information programme** has been carried out through the interim secretariat by the IUCC. Activities such as the production of the United Nations Climate Change Bulletin, press and media campaigns, as well as a number of activities of dissemination of information (such as electronic bulletin boards and desktop publishing) will continue, especially through the proposed joint library and documentation centre. Particular use will be made of the World Wide Web server that is being installed by the IUCC on the Internet.

C. Programme services

11. The first substantive programme to make intensive use of the information system has been CC:INFO. Information has been processed in a set of linked databases and resulting reports are being circulated to delegations (see A/AC.237/75, section II). Activities are now under way to reproduce the information on on-line and off-line electronic systems. There will be considerable need for improved databases and communication systems to undertake all the activities being planned, especially within the proposed CC:COPE (see A/AC.237/75, section IV)

12. The communication and review process is about to start and, given the number of national communications expected and the considerable quantity of textual and numerical data these will contain, suitable information support services are being planned. The most important activities will include the electronic archiving of all information in full-text and structured information bases. In addition, the development of information management tools will allow improved access to the information, including through the use of innovative presentations.

D. Services to participants

13. During sessions of the Committee, and, later, of the COP, the secretariat will provide a number of information support services directly to participants. At the tenth session of the Committee, an experimental information and communication centre will be set up with the help of the Association for Progressive Communications (APC), in office E.3069 at the Palais des

Nations, in order to provide electronic mail and on-line database access to Committee participants. Information on this service will be given during the session. It is planned to repeat this service at the eleventh session in New York and, funds permitting, on a fuller scale at COP 1 in Berlin.

14. Other information system activities and demonstrations are also planned for those future meetings, including a demonstration of an information management system that is being developed to assist Governments in receiving and retrieving information resulting from the Convention process. Such information would include all official documents, national communications and other related data and information.

15. The longer-term plan is to make the information system directly accessible to Governments, in order to assist them in implementing the Convention. This plan includes the preparation of information for wide dissemination in various electronic forms, including diskettes, CD-ROM and on-line electronic information systems. It also envisages providing assistance to Governments in setting up information units within relevant national agencies to receive and further disseminate the information from CC:INFO, while at the same time acting as a source of information for other users of CC:INFO through the system. These activities will include on-site training.

Annex II

TRUST FUND FOR THE NEGOTIATING PROCESS (GA resolution 45/212, para. 20)
STATEMENT OF CONTRIBUTIONS
(US dollars) a/

Contributors	Contributions to 31.12.93	1994 Contributions	1994 Date of receipt voucher	Total contribution to 01.08.94	Outstanding pledges
Australia	16,945.00	17,595.00	18.05.94	34,540.00	-
Austria	-	12,500.00	02.02.94	12,500.00	-
Canada	86,183.56	37,444.12	25.02.94	-	
		54,744.53	24.05.94	178,372.21	-
Denmark	-	200,000.00 b/	03.05.94	200,000.00	500,000.00 b/
Finland	-	100,000.00	05.01.94	100,000.00	-
France	18,065.21	-	-	18,065.21	-
Germany	116,998.95	-	-	116,998.95	-
Japan	113,185.00	-	-	113,185.00	68,880.00
Netherlands	31,018.04	-	-	31,018.04	-
Norway	15,431.40	-	-	15,431.40	-
Switzerland	461,833.37	174,825.17	04.03.94	636,658.54	c/
United Kingdom	158,978.36	60,217.41	14.06.94	219,195.77	-
USA	250,000.00	250,000.00 d/	-	500,000.00	250,000.00 d/
CEC*	123,580.00	-	-	123,580.00	e/
UNEP	-	200,000.00 f/	-	200,000.00	-
Total	1,392,218.89	1,107,326.23		2,499,545.12	818,880.00

Notes: A hyphen (-) indicates that the item is not applicable.
* Commission of the European Communities (CEC)

a/ Information as at 1 August 1994. All contributions are gross.
Deductions of 13 per cent for support costs and 15 per cent for operating reserve are applicable to determine amounts available for allotment.

b/ Contributions of $200,000 for CC:INFO project (climate convention information exchange programme - formerly known as Climex). Pledge of $250,000 for communication and review project.

c/ Switzerland has also offered a contribution in kind, to the value of $160,000, to the cost of office premises. (See paragraph 10 above.)

d/ Contribution of $250,000 in the pipeline;
Pledge of $250,000 for communication and review project.

e/ Outstanding offers of contributions from the CEC amount to $120,000. It has not been possible to work out conditions for payment that are compatible with the United Nations Financial Regulations and with the procedures of the CEC. This is a general problem affecting contributions from the CEC to the United Nations, to which a solution continues to be sought.

f/ Contribution to CC:INFO project in the pipeline.

Annex III

UNFCCC INTERIM SECRETARIAT: FINANCIAL ESTIMATES FOR 1994 - 1995*

DESCRIPTION OF ACTIVITY	INPUTS	Grade	Starting from	Total 1994-1995 a/	Regular budgets (UN, UNEP, WMO) 1994-1995	Extra-budgetary 1994	Extra-budgetary 1995
A. EXECUTIVE DIRECTION AND MANAGEMENT							
A.1 Head of interim secretariat Overall planning, coordination and direction of secretariat activities; resource mobilization; finance/personnel management; accountability to INC and COP and to DPCSD; collaboration agreements with partner agencies.	Executive Secretary	D-2	1.94	350	350		
A.2 Office of the Executive Secretary Support for planning and coordination of secretariat activities; internal information flow; general reports to INC and COP including report on implementation; arrangements for permanent secretariat; financial monitoring.	Special Adviser	L-5¤	1.95	185			185
	Special Asst to Exec.Sec.	P-3	1.94	220	220		
	Secr./Asst. to Exec.Sec.	G-6	1.94	160	160		
	Finance clerk	G-6¤	1.95	70			70
	Admin. secretary	G-4	1.94	160	160		
	Secretary	G-3	7.94	105		35	70
Subtotal (A.1 and A.2)				1,250	890	35	325
A.3 Inter-agency relations Inter-agency liaison; collection and analysis of information on climate change activities of UN System and other bodies.	Principal Officer WMO	D-1	1.94	325	325		
	Secretary WMO	G-4	1.94	160	160		
A.4 Management, legal and information services Planning and organization of inter-governmental processes; relations with delegations; management of participation fund; dissemination of documents; liaison with NGOs; public information (with IUCC); general legal advice.	Principal Officer	D-1	1.94	325	325		
	Legal Adviser	P-4	1.94	260	260		
	External Rel'ns. Officer	L-3	1.94	260		120	140
	Meetings Assistant	G-5	1.94	160	160		
	Secretary	G-4	7.94	120	120		
	Secretary	G-3	1.94	140		70	70
	Clerk	G-2	1.94	140		70	70
Subtotal (A.3 and A.4)				1,890	1,350	260	280
Subtotal A: EXECUTIVE DIRECTION AND MANAGEMENT				3,140	2,240	295	605

* See last page of annex III for explanation of footnote symbols.

UNFCCC INTERIM SECRETARIAT: FINANCIAL ESTIMATES FOR 1994 - 1995*
(continued)

DESCRIPTION OF ACTIVITY	INPUTS	Grade	Starting from	Total 1994-1995	Regular budgets (UN, UNEP, WMO) 1994-1995	Extra-budgetary 1994	Extra-budgetary 1995
A.4.1 Information system project b/							
Provision of information systems services, including office automation, databases, electronic communications, information dissemination, library, training in software/hardware use.	Coordination c/						
	Information Manager	L-4¤	1.95	160			160
	System Manager	L-3	8.94	190		50	140
	Training Officer	L-1/2	7.94	175		55	120
	System Officer	L-1/2	10.94	145		25	120
	Documentalist	G-5¤	9.94	95		25	70
	Secretary	G-3¤	1.95	70			70
	Temporary assistance			20		10	10
	Consultants			80		65	15
	Travel			40		20	20
	Expert groups			60		30	30
	Equipment, supplies, operating costs, etc.			480		125	355
	Contingencies (2% of subtotal)			30		10	20
Subtotal (A.4.1) b/				1,545	0	415	1,130

UNFCCC INTERIM SECRETARIAT: FINANCIAL ESTIMATES FOR 1994 - 1995*
(continued)

	DESCRIPTION OF ACTIVITY	INPUTS	Grade	Starting from	Total 1994-1995	Regular budgets (UN, UNEP, WMO) 1994-1995	Extra-budgetary 1994	Extra-budgetary 1995
B.	**COMMUNICATION, REVIEW AND ASSESSMENT**							
	Coordination	Principal Officer d/	L-5	1.94	345		150	195
B.1	**Reports to INC and COP**							
	Substantive documentation for INC and COP relating to commitments in Article 4.2 (methodologies, inventories, review of adequacy, joint implementation)	Scientific Officer	L-3	1.94	260		120	140
		Secretary	G-4	1.94	160	160		
	Subtotal (B. and B.1)				765	160	270	335
B.2	**Communication and review project (CC:CRP)**							
	Technical and analytical support for first review of communications by Annex I parties, including inventory management, data bases, etc. (New resource needs forecast for 1995 depend on decisions by INC and COP 1).	Project Manager	L-5	1.94	340		155	185
		Programme Officer	L-4	8.94	215		55	160
		Programme Officer d/	L-4	9.94	205		45	160
		Programme Officer	L-3¤	4.95	105			105
		Programme Officer	L-3¤	4.95	105			105
		Secretary	G-4¤	9.94	95		25	70
		Secretary	G-3¤	4.95	55			55
		Temporary assistance			40		20	20
		Consultants			260		60	200
		Travel			340		90	250
		Expert groups			315			315
		Equipment, supplies, operating costs, etc.			40		10	40
		Share of information system costs			510		137	373
		Contingencies (2% of subtotal)			50		10	40
	Sub-total (B.2)				2,675	0	507	2,078
	Sub-Total B: COMMUNICATION, REVIEW AND ASSESSMENT				3,440	160	877	2,413

Earmarked contributions (gross):
Denmark: $500,000 (pledged)
USA: $250,000 (pledged)

UNFCCC INTERIM SECRETARIAT: FINANCIAL ESTIMATES FOR 1994 - 1995*
(continued)

	DESCRIPTION OF ACTIVITY	INPUTS	Grade	Starting from	Total 1994-1995	Regular budgets (UN, UNEP, WMO) 1994-1995	Extra-budgetary 1994	Extra-budgetary 1995
C.	**FINANCIAL MECHANISM AND TECHNICAL COOPERATION**							
	Coordination	Principal Officer DPCSD	D-1	1.94	325	325		
C.1	**Financial Mechanism**							
	Substantive documentation for INC and COP re. implementation of financial mechanism (Article 4.3 and 11); substantive liaison with GEF and its implementing agencies; preparation of agreement with operating entity.	Legal Adviser UNEP	P-4/5	1.94	260	260		
		Econ. Affairs Officer	P-2/3	10.94	120	120		
		Secretary	G-4	1.94	160	160		
		Secretary WMO	G-4	1.94	160	160		
	Subtotal (C. and C.1)				1,025	1,025	0	0
C.2	**Support for Technical Cooperation (CC:COPE)**							
	Facilitation of capacity building, "enabling activities" in developing and "transition" countries; promotion of co-operative programme activities with UNDP, UNEP and UNITAR and other partners.	Coordinator	L-5	1.94	340		155	185
		Secretary	G-4/5	1.95	70			70
	Subtotal (C.2)				410	0	155	255
C.2.1	**Climate Convention Information Exchange (CC:INFO)**							
	Joint programme with UNEP to exchange information about the availability of resources for country activities on climate change, and about the results of such activities (formerly known as Climex).	Project Manager ff	L-4/5	4.95	120			120
		Programme Officer	L-3	7.94	200		60	140
		Communications Asst.	G-5	1.94	140		70	70
		Secretary	G-3	1.94	140		70	70
		Temporary Assistance			20		10	10
		Consultants			30		20	10
		Travel			65		25	40
		Expert groups			60		30	30
		Equipment, supplies, operating costs, etc.			100		50	50
		Share of information system costs			263		71	192
		Contingencies (2% of Sub-Total)			25		10	15
	Subtotal (C.2.1)				1,163	0	416	747

Earmarked contributions (gross):

Denmark: $200,000 (paid)
UNEP: $200,000 (approved)

UNFCCC INTERIM SECRETARIAT: FINANCIAL ESTIMATES FOR 1994 - 1995*
(continued)

DESCRIPTION OF ACTIVITY	INPUTS	Grade	Starting from	Total 1994-1995	Regular budgets (UN, UNEP, WMO) 1994-1995	Extra-budgetary 1994	Extra-budgetary 1995
C.2.2 Training Programme (CC:TRAIN)							
Joint programme with UNITAR to promote training for preparation of national climate change strategies in relation to the Convention.	Project Manager [1]	L-4=	4.95	120			120
	Programme Officer(s)	L-3	1.95	UNITAR Staff			
	Secretary		1.95	UNITAR Staff			
Subtotal (C.2.2)				120	0	0	120
Subtotal C: FINANCIAL MECHANISM AND TECHNICAL COOPERATION				2,718	1,025	571	1,122

UNFCCC INTERIM SECRETARIAT: FINANCIAL ESTIMATES FOR 1994 - 1995*
(continued)

DESCRIPTION OF ACTIVITY	INPUTS	Grade	Starting from	Total 1994-1995	Regular budgets (UN, UNEP, WMO) 1994-1995	Extra-budgetary 1994	Extra-budgetary 1995
D. POST COP 1 CONTINGENCIES							
D.1 Support for joint implementation: pilot phase							
Development and monitoring of criteria; reports on pilot phase.	Senior Prog. Officer	L-5=	6.95	110			110
	Programme Officer	L-2=	6.95	70			70
	Secretary	G-3=	6.95	40			40
Subtotal (D.1)				220	0	0	220
D.2 Support for SBSTA							
Advice/assessment re. methodologies, transfer and development of technology.	Senior Prog. Officer	L-5=	6.95	110			110
	Programme Officer	L-2=	6.95	70			70
	Secretary	G-3=	6.95	40			40
Subtotal (D.2)				220	0	0	220
D.3 Support for negotiations							
Substantive documentation for COP and subsidiary bodies in support of negotiations on amendment(s) or protocol(s) to FCCC: additional staff for B.1	Programme Officer	L-4=	6.95	95			95
	Programme Officer	L-2=	6.95	70			70
	Secretary	G-3=	6.95	40			40
Subtotal (D.3)				205	0	0	205
Subtotal D: POST COP 1 CONTINGENCIES				645	0	0	645
E. NON-STAFF COSTS							
Non-staff costs for general purposes, additional to projects B.2 and C.2.1.	Temporary assistance			40	40		
	Consultants			180	80	50	50
Staff travel to INC XI: $104,000 (est.)	Travel			335	250		85
	Expert groups			70	70		
	Equipment, supplies, operating costs, etc.			230	230		
	Share of information system costs			773	0	208	565
	Contingencies (2%of total)			20		5	15
Subtotal E: OTHER NON-STAFF COSTS				1,648	670	263	715
TOTAL ALL SECRETARIAT ACTIVITIES g/				11,590	4,095	2,005	5,500

UNFCCC INTERIM SECRETARIAT: FINANCIAL ESTIMATES FOR 1994 - 1995*
(continued)

Note: ¤ Indicates staff position to be filled, subject to availability of funding.

a/ Costs are expressed in thousand United States dollars ($). Costings for posts in the UN programme budget are standard, pro forma figures. Costings for extrabudgetary posts include real costs for staff in service and pro forma estimates for other posts, and for 1995 include termination entitlements. Estimates are based on a standard UN exchange rate of US$1=Sw F1.49. Estimates exclude overhead charges (13 per cent) and provision for operating reserve (15 per cent) - see Annex V for gross estimates.

b/ The subtotal for the information system project is shown here for illustration only. 50 per cent of the cost has been allocated to "E: Other non-staff costs". The other 50 per cent is allocated between the projects for communication and review (B.2) (33 per cent) and information exchange (C.2.1) (17 per cent), both of which need substantial information system support.

c/ Coordination of information system project currently assured by the Principal Officer, Management, Legal and Information Services (A.4) and by the Coordinator of support for technical cooperation (C.2).

d/ Bilateral funding assured.

e/ Currently also performing function of Project Manager of CC:INFO (C.2.1), as well as coordinating information system project (A.4.1)

f/ Expected to be funded by project now under development.

g/ Total calculated at an exchange rate of 1 $US=Sw F1.49; subject to exchange rate variations. Total also excludes DPCSD Administrative Unit (Geneva) and services provided by UNOG (conference services, documentation, finance, personnel, procurement, etc.)

Annex IV

SPECIAL VOLUNTARY FUND FOR PARTICIPATION (GA resolution 45/212, para. 10)
STATEMENT OF CONTRIBUTIONS
(US dollars) a/

Contributors	Contributions to 31.12.93	1994		Total contribution to 01.08.94	Outstanding pledges
		Contributions	Date of receipt voucher		
Australia	-	17,180.00	26.05.94	17,180.00	-
Austria	89,985.00	12,500.00	02.02.94	102,485.00	-
Canada	194,375.66	18,442.62	25.02.94	-	-
	-	54,744.52	24.05.94	267,562.80	-
Denmark	304,970.00	80,000.00	22.02.94	384,970.00	-
Finland	104,866.77	-	-	104,866.77	-
France	185,033.43	50,020.01	19.04.94	235,053.44	-
Germany	405,648.68	-	-	405,648.68	130,000.00
Greece	10,000.00	-	-	10,000.00	-
Ireland	10,000.00	14,300.00	18.03.94	24,300.00	-
Japan b/	120,000.00	-	-	120,000.00	240,000.00 b/
Netherlands	292,981.07	88,918.53	24.06.94	381,899.60	-
Norway	128,922.41	-	-	128,922.41	36,000.00
Spain	122,315.64	-	-	122,315.64	-
Sweden	250,980.57	63,331.22	02.02.94	314,311.79	-
Switzerland c/	449,506.88	34,965.03	04.03.94	-	-
		56,529.11	16.03.94	541,001.02	37,000.00
Turkey	3,000.00	-	-	3,000.00	-
United Kingdom	410,205.65	90,322.35	14.06.94	500,528.00	-
USA	300,000.00	105,000.00	13.01.94	405,000.00	150,000.00
CEC*	123,580.00	-	-	123,580.00	d/
WMO	34,698.13	-	-	34,698.13	-
UNDP e/	-	-	-	-	-
Total	3,541,069.89	686,253.39		4,227,323.28	593,000.00

Notes: A hyphen (-) indicates that the item is not applicable.
* Commission of the European Communities (CEC)

a/ Information as at 1 August 1994. All contributions are gross. Deductions of 13 per cent for support costs and 15 per cent for operating reserve are applicable to determine amounts available for allotment.

b/ In 1991/1992, Japan made a separate contribution of $200,000 to costs of travel and participation for pre-session seminars and training activities. Current pledge of $240,000 to cover participation in meetings up to and including COP 1, of which $40,000 for participation of Eastern/Central European countries with economies in transition.

c/ Contributions of $117,333.39 (1991-1993), of $34,965.03 (1994) and pledge of $37,000 (1994) earmarked for participation of Eastern/Central European countries with economies in transition.

d/ Outstanding offers of contributions from the CEC amount to $170,000. It has not been possible to work out conditions for payment that are compatible with the United Nations Financial Regulations and with the procedures of the CEC. This is a general problem affecting contributions from the CEC to the United Nations, to which a solution continues to be sought.

e/ In 1992, UNDP directly supported participation by 20 developing countries in the fifth session of the Committee; estimated value $100,000.

Annex V

ESTIMATED EXTRABUDGETARY FUNDING REQUIREMENTS 1994-1995

(Thousands of US dollars)

			1994	1995
A.	**Trust Fund for Secretariat Activities (GA resolution 45/212, para. 20)**			
	Estimated net funding requirements	a/	(2,005)	(5,500)
	Estimated gross funding requirements	b/	(2,785)	(7,640)
	Beginning year balances		829	194
	Contributions 1994		1,107	-
	Bilateral staff support		224	408
	Balance of funding requirements (gross)		**(625)**	**(7,038)**
	Gross pledges		819	-
	END YEAR GROSS BALANCE		**194**	-
B.	**Special Voluntary Fund for Participation (GA resolution 45/212, para. 10)**			
	Estimated gross funding requirements:	b/	-	-
	INC IX	c/	(560)	-
	INC X	d/	(670)	-
	INC XI	e/	-	(1,100)
	COP 1	f/	-	(850)
	Subsidiary bodies	g/	-	(360)
	Total funding requirements		(1,230)	(2,310)
	Beginning year balances		572	622
	Gross contributions 1994		690	-
	Balance of funding requirements (gross)		**32**	**(1,688)**
	Gross pledges		590	-
	END YEAR GROSS BALANCE		**622**	-

a) As estimated in annex III, "UNFCCC Interim Secretariat: Financial Estimates for 1994-1995".
b) Includes 13 per cent overhead and 15 per cent operating reserve.
c) Actual cost of INC-IX.
d) Estimate based on 2-week meeting in Geneva (95 participants).
e) Estimate based on 3-week meeting in New York (100 participants).
f) Estimate based on 2-week meeting in Berlin (100 participants).
g) Estimate based on one-week meeting in Geneva (75 participants).

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FOR A FRAMEWORK CONVENTION ON CLIMATE CHANGE
Tenth session
Geneva, 22 August - 2 September 1994
Item 8 of the provisional agenda

ARRANGEMENTS FOR THE FIRST SESSION OF THE CONFERENCE OF THE PARTIES, INCLUDING AGENDA AND ORGANIZATION OF WORK

Note by the interim secretariat

I. PREPARATIONS FOR HOSTING THE CONFERENCE

1. At its ninth session, the Committee was informed that the General Assembly at its forty-eighth session had welcomed the invitation of Germany to host the first session of the Conference of the Parties (COP 1) in Berlin and had agreed that the session should be held there from 28 March to 7 April 1995. Recognizing that Article 7.4 of the Convention provides that the first session of the COP "shall take place not later than one year after the date of entry into force of the Convention", it was agreed that the Executive Secretary would write to Parties requesting their consent to the session being convened on the above dates, that is, one week later than stipulated in Article 7.4 (A/AC.237/55, para. 133). Subsequently, the Executive Secretary obtained the consent of those States that were Parties on the date of entry into force of the Convention (21 March 1994) to holding the session on the above-mentioned dates.

2. According to General Assembly resolution 40/243, of 18 December 1985, when a government issues an invitation for a session to be held within its territory, it must agree to defray the actual additional costs directly or indirectly involved, after consultation with the United Nations on their nature and possible extent. The interim secretariat has thus been holding discussions with the Government of Germany in order to conclude an agreement with that Government to host the first session of the Conference of the Parties.

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3. The agreement will contain specific provisions with regard to the date and place of the session, attendance, premises, equipment, utilities and supplies, security, transportation, local personnel, privileges and immunities and any other matters which may be necessary for the session.

4. The Government of Germany has informed the interim secretariat that the session will take place at the International Congress Center Berlin (ICC Berlin). The ICC Berlin provides the necessary premises in which to accommodate the session, including conference rooms for informal meetings, office space and other working areas. The conference rooms are equipped for simultaneous interpretation in six languages and have facilities for sound recording, as well as for press, television, radio and film operations, to the extent required by the United Nations. Additional information will be provided as the preparations for the session advance.

II. ORGANIZATION OF WORK

A. Participation

5. Formal notification of the first session will be communicated to the permanent missions in Geneva and New York of all Parties to the Convention, as well as observers referred to in Article 7.6 of the Convention. The notification will request that the representatives of Parties be provided with full powers to participate in the session, including the possibility to serve as officers of COP 1, and any sessional committees, working groups or subsidiary bodies, and as officers of the subsidiary bodies established by the Convention.

6. Owing to the wide range of matters that are to be decided by the COP, and in order to assure effective participation of Parties during COP 1, the Committee may wish to recommend that Parties include in their delegations representatives with the capacity to deal with the various economic, social, and environmental issues at the national level that are relevant to the work of the Convention.

7. In accordance with paragraph 15 of General Assembly resolution 47/195 of 22 December 1992, the special voluntary fund, established under paragraph 10 of General Assembly resolution 45/212 to support the participation of developing and other countries, will be maintained up to COP 1. It is hoped that it will be possible to finance the participation of at least one delegate each from eligible developing and other Parties in the session.

B. Notes on possible agenda items

1. Opening of the session

8. The Convention establishes that the first session of the Conference of the Parties shall be convened by the interim secretariat (see Articles 7.4 and 21 of the Convention). Accordingly, the head of the interim secretariat will open the session and call for the election of the President.

2. Election of the President

9. In accordance with rule 22 of the draft rules of procedure of the Conference of the Parties, "at the commencement of the first meeting of each ordinary session, a President, **four** Vice-Presidents and a Rapporteur shall be elected from among the representatives of the Parties present at the session. They will serve as the Bureau of the COP. Each of the five regional groups **and the Parties that form the Alliance of Small Island States** shall be represented by one Bureau member. The offices of President and Rapporteur shall normally be subject to rotation among these groups." (See document A/AC.237/WG. II/L.8; emphasis is shown as in the present draft of that rule.) Initially, the Conference of the Parties will be invited to elect the President. The election of the other officers will be conducted by the President at the appropriate point in the proceedings.

10. It would be desirable for informal consultations on the election of officers to be held during the tenth and eleventh sessions of the Committee, so that such elections may proceed expeditiously at COP 1. Such consultations could also cover the election of the officers of the subsidiary bodies, as suggested in paragraphs 18 and 19 below.

3. Statements at the opening of the session

11. Following a statement by the newly-elected President, it would be appropriate for the Secretary-General of the United Nations, or his representative, and a representative of the host country, as well as executive heads of partner organizations invited to do so, to address the participants.

4. Report of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change: statement by the Chairman

12. The Committee will conclude its work at its eleventh session, when it is expected to complete the adoption of recommendations to COP 1. A statement by the Chairman of the Committee, describing the results of the Committee's work, may be presented as an introduction to the tasks to be carried out by COP 1.

5. Presentation of documentation by the interim secretariat

13. The Executive Secretary will introduce the documentation prepared by the interim secretariat for COP 1.

6. Organizational matters

(a) Adoption of the agenda

14. The COP will have to adopt an agenda for its first session. The Committee may wish to prepare a provisional agenda to guide the preparation for the session and to facilitate the work of the COP.

15. A list of possible elements for a provisional agenda is contained in the annex to this note. It should be noted that item 8 of that list includes the tasks specified in the Convention for action by the first session of the Conference of the Parties, in accordance with the decision taken by the Committee at its sixth session (A/AC.237/24, paras. 44 and 45).

(b) Adoption of the rules of procedure

16. The President will invite the COP to consider and adopt the rules of procedure of the Conference of the Parties. It is hoped that these will have been drawn up and agreed upon by the Committee (see document A/AC.237/58).

(c) Election of the other officers of the COP

17. The President will invite the COP to elect the remainder of its officers according to rule 22 of the draft rules of procedure (see paragraph 9 above).

(d) Election of chairmen of subsidiary bodies

18. It is suggested that the chairmen and other officers of the subsidiary bodies be elected during COP 1 (see document A/AC.237/64, para.18).

19. As provided for in rule 27, paragraphs 3 and 4, of the draft rules of procedure, and unless otherwise decided by the COP, the chairmen of the subsidiary bodies shall be elected by the COP, while other officers of the subsidiary bodies are to be elected by the body concerned. After the election of the chairmen of the subsidiary bodies by the Conference of the Parties, the two subsidiary bodies may meet consecutively for the election of their other officers.

(e) Organization of work

(i) Schedule of meetings

20. A tentative schedule of meetings will be proposed based on the availability of facilities during normal working hours. It is planned that services will be available for two concurrent meetings with interpretation.

(ii) Allocation of tasks

21. It is suggested that the session be organized in two major segments: a segment at the level of senior officials in which Parties could advance negotiations on any issues that were not resolved at the eleventh session of the Committee and prepare draft decisions thereon; and a brief ministerial segment during which the COP will finalize and adopt decisions.

22. The Committee may wish to consider this suggestion and, if it agrees with it, recommend the duration of each segment. The Committee may also wish to consider whether it would be

(f) Credentials

23. The credentials of representatives, as well as the names of alternate representatives and advisers, shall be submitted to the secretariat in accordance with rule 19 of the draft rules of procedure. The credentials must be issued either by the Head of State or Government or by the Minister of Foreign Affairs. The Bureau of COP 1 will examine the credentials and will submit its report to the COP (see rule 20 of the draft rules of procedure).

(g) Representation of intergovernmental organizations and non-governmental organizations as observers

24. In pursuance of Article 7.6 of the Convention, and unless otherwise advised by the Committee, the interim secretariat intends to write to intergovernmental and non-governmental organizations that have been participating in the Committee, inviting them to express their wish to be represented as observers at COP 1. The names of those organizations that wish to be represented would be communicated to the Committee at its eleventh session. Invitations to these organizations to be represented at COP 1 as observers would be confirmed after the eleventh session of the Committee.

7. Status of ratification of the Convention

25. An up-to-date status report on the ratification of the Convention will be before the COP for its information.

9. Activities of the interim secretariat, including review of extrabudgetary funding

26. At its ninth session, the Committee endorsed the view that the interim secretariat would need to continue to function after COP 1 during a transitional period ending on 31 December 1995 and that the permanent secretariat should thus start operations with effect from 1 January 1996.

27. Consequently, the Executive Secretary will report to COP 1 on the activities of the interim secretariat, on administrative and budgetary questions, and on the need for extrabudgetary funds. This report will include information on arrangements for the functioning of the interim secretariat until 31 December 1995.

10. Date and venue of the second session of the COP and calendar of meetings of the subsidiary bodies of the Convention

28. COP 1 will decide on the date and venue of its second session. It is suggested that officers of subsidiary bodies could meet informally during COP 1 to discuss elements of the work programme of these bodies, including a schedule for their meetings, on the basis of recommendations from the Committee (see document A/AC.237/64, para. 20).

Annex

LIST OF POSSIBLE ELEMENTS FOR A PROVISIONAL AGENDA FOR THE FIRST SESSION OF THE CONFERENCE OF THE PARTIES (BERLIN, 28 MARCH - 7 APRIL 1995)

1. Opening of the session.

2. Election of the President.

3. Statements at the opening of the session.

4. Report of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change: statement by the Chairman.

5. Presentation of documentation by the interim secretariat: statement by the Executive Secretary.

6. Organizational matters:

   (a) Adoption of the agenda;
   (b) Adoption of the rules of procedure;
   (c) Election of the other officers of the Conference of the Parties;
   (d) Election of the chairmen of subsidiary bodies;
   (e) Organization of work;
   (f) Credentials;
   (g) Representation of intergovernmental organizations and non-governmental organizations as observers.

7. Status of ratification of the Convention.

8. Tasks for action by the first session of the Conference of the Parties:

   (a) Matters relating to commitments:

      (i) First review of information communicated by each Party included in Annex I to the Convention, including:

         a. Review of national communications - compilation and synthesis, including the overall effects of policies and measures;

         b. Application of Articles 4.6 and 4.10 (if required);

c. Process for the ongoing review of information, including guidelines for the preparation and periodicity of communications, and operational procedures for transmission, distribution and translation;

(ii) Methodological issues;

(iii) Review of the adequacy of commitments in Article 4, para. 2 (a) and (b) and decisions on follow-up;

(iv) Criteria for joint implementation and arrangements for a pilot phase;

(v) The roles of the subsidiary bodies established by the Convention;

(vi) Report on implementation.

(b) Matters relating to arrangements for the financial mechanism and for technical and financial support to developing country Parties:

(i) Implementation of Article 11 (Financial mechanism), paras. 1-4, including:

a. Guidance on policies, eligibility criteria and programme priorities;

b. Determination of "agreed full incremental costs";

c. Determination of funding needs;

d. Consideration of a report of the interim operating entity;

f. Consideration of the maintenance of the interim arrangements referred to in Article 21.

(ii) Provision to developing country Parties of technical and financial support.

(c) Procedural, institutional and legal matters:

(i) Designation of a permanent secretariat and arrangements for its functioning, including financial rules of the Conference of the Parties and of the subsidiary bodies established by the Convention;

(ii) Consideration of the establishment of a multilateral consultative process for the resolution of questions regarding implementation (Article 13).

9. Activities of the interim secretariat, including review of extrabudgetary funding.

10. Date and venue of the second session of the COP and calendar of meetings of the subsidiary bodies of the Convention.

11. Other matters.

12. Adoption of the report of the Conference of the Parties.